# THE FINANCIAL POST

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## The Nation's Business

**Power Dispute Was Unnecessary**
**Power Belongs to Provinces**
**Trying to Digest Conservative Platform**
**Nag at Sugar Tariff**

ONE legal opinion does not settle a legal dispute. Lawyers can usually be found to disagree upon any reference. The legal opinion furnished to the provinces of Ontario and Quebec holding that they control water power rights in navigable streams, subject only to the control of the Dominion Government over navigation features, one can hardly be expected to cause the Dominion Government to withdraw from the dispute and admit the claims of the provinces. Final reference to the Privy Council seems inevitable and this being so, the earlier the reference is made, the better for the important interests at stake. Obviously, the most important factor in the present situation is the development for power purposes of the Ottawa River, particularly at Carillon, where much dispute was raised last winter as to the respective Dominion and provincial powers.

It is unfortunate that this dispute between the provinces and the federal government ever arose at all. It was unnecessary. The Dominion and the provinces had been managing the country's rivers for years, on the assumption that the Dominion controlled the navigation features of streams and the provinces owned the power rights. No one, until recently, had seriously questioned this demarcation of control and it had not been thought necessary to ask for the opinion of the Privy Council. It was sheer presumption on the part of Ottawa to assert its power to control and grant privileges for power development on such rivers as the Ottawa. It looked as though Ottawa had said, "Let's take this stand; maybe we can get away with it." But Ottawa has not gotten away with it. The provinces have stood by their faith in their own rights. They will go to the Empire's highest court to plead for final justification of their stand if necessary. But the need to do this should never have arisen.

* * *

THE press of Canada is still attempting to digest the Conservative platform expressed in resolutions at the Winnipeg convention. The platform is proving to be exceedingly indigestible. It was, of course, a platform containing many pompous imbecilities, and fortunately for Canada, no one seriously expects the Conservatives to stand by every promise in that platform. An attempt was made to please every section of the country and every class in the country; to steal thunder from the Liberals, and take the wind out of the sails of the Progressives; to make many concessions without incurring any serious enmities. Of course, no platform can be drawn that will accomplish such an impossible task. If public attention were not diverted so largely to discussion of the new leader and to the Meighen-Ferguson row, the platform would bring down the storm of ridicule it merits. As it is further examined in clear detachment from the atmosphere of the convention it is likely to be accepted by Liberals and Conservatives alike, as no adequate expression of the political viewpoint of Canadian Conservatism.

* * *

IT IS observed that Toronto Conservatives are patting Mr. Ferguson on the back for his outburst at Winnipeg, an outburst that was somewhat more heated than was necessary, and that was a little too cock-sure to please Mr. Ferguson's best friends.

Mr. Meighen's brilliant defence at Winnipeg, of his Hamilton war policy speech, was a great intellectual feat and a treat to hear. Whether the occasion was opportune or the policy sound, is for the politicians to discuss; and there can be no question as to Mr. Meighen's sincerity and great ability as a leader, a marvelous ability for ferreting out, uncovering and dissecting a problem and presenting it in all its numerous phases. We doubt if there is any other man in Canada who could do this so thoroughly or so brilliantly. He has probably no peer today as a parliamentarian. There is no question as to his honesty, his sincerity.

But can a man of this type ever make a success as an administrator? Does his speech not explain his failure as a national executive? Does not a man of this mentality find so many reasons why action cannot be taken that they never get anywhere? Has any man of this type ever made a success in a big way in business?

In this episode, Mr. Meighen showed himself primarily the debater. And Mr. Ferguson showed himself to be a politician, with certain human weaknesses.

* * *

THE companies which enjoy tariff protection in the Dominion may perhaps be divided into three classes: those with too much protection; those comfortably fixed; and those that are

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## ABITIBI COMPANY WILL BE ABLE TO KEEP UP $4 RATE

### Earnings, with Those of Spanish, Are Sufficient in Beginning

### SUBSIDIARIES TO HELP

### By 1930, Smaller Companies Will Increase Capacity by 75 Per Cent., Perhaps More

From Our Own Correspondent

MONTREAL.—At the beginning of 1928, following the Abitibi-Spanish merger, the Abitibi Power & Paper Co. will have outstanding 688,694 shares. A $4 dividend is anticipated on this new stock, so that dividend requirements for 1928 will be about $2,800,000.

This dividend figure compares very favorably with the net earnings applicable to the common stock of only two companies in the merger, namely, Abitibi and Spanish, without taking into consideration the net earnings of Fort William, Ste. Anne, Manitoba and later, Murray Bay.

After making large allowances for depreciation and depletion, and after preferred dividend charges and all charges applicable to the bondholders of both companies, the combined net profits of Spanish River and Abitibi last year amounted to over $2,400,000 as compared with dividend requirements next year of some $2,800,000.

**To Increase Output**

While the comparison shows dividend requirements larger than the earnings of the two larger components of the merger, yet the comparison is satisfactory for, as has been said, it does not take into consideration the earnings of the other four companies, which, it is to be remembered, have a total output equal to about 75 per cent. of the present combined output.

Moreover, Spanish River earnings during its last fiscal year, which ended June 30, showed a material decline as compared with the preceding year and regarded from a long hold standpoint it can be taken for granted that Spanish earnings are down to about a minimum. During the past year Spanish River obtained no revenues from the other newsprint companies in which it is interested and which now form part of the merger.

By 1930 Abitibi will have outstanding 941,696 shares. The dividend rate of $4 a share would give indicated dividend requirements at that time of $3,766,784 annually. This figure compared to earnings applicable to common dividends in only the two larger companies is equal to an increase by 1930 of around 50 per cent. The comparison is still favorable as the other companies in the merger will increase the output of Abitibi and Spanish by 75 per cent.—or perhaps a great deal more by that date. Thus the expanded Abitibi Power & Paper Co. can easily meet the $4 dividend on its new split stock.

**Why Name Is Kept**

There are several reasons why the Spanish name does not appear.

First, Abitibi Power & Paper is already listed on the New York market. Second, Abitibi is a distinctly Canadian name. Third, on any stock market list, Abitibi usually heads the list, which naturally makes for wider publicity, and finally, if another name had been chosen, it would have been necessary to take out a new charter.

## Action to Settle Canners Problem Expected at Once

Announcement is expected shortly with regard to a reorganization of the capital structure of Canadian Canners, Ltd. Both the preferred and common shares have shown unusual strength on the Toronto exchange within the last few days.

It is expected that the preferred shares soon will be placed on a full dividend of 7 per cent. The rate was increased from 4 to 5 per cent. at the beginning of the present year. It is known that earnings now are well in advance of full dividend requirements on the preferred stock.

Arrears of dividend, totaling about 20 per cent., probably will be disposed of by giving the holder one-half share of common for each share of preferred now held. This arrangement would bring the outstanding common stock to approximately the number of outstanding preferred shares.

Possibly the dividend rate will be increased to 7 per cent. in advance of the publication of the plan or reorganization.

### Brompton Shares Strong

Shares of Brompton Pulp & Paper Co. have been unusually strong on the Montreal exchange in the last several days on rumors of a merger which would involve this company. However, if anything of the kind is in the offing, officials of the company are saying nothing about it.

### HEADS CANADA CEMENT

ARTHUR CHARLES TAGGE.
President of the new Canada Cement Co., virtually steps into shoes of Frank P. Jones. Mr. Tagge has long been identified with the business.

## EXPECT BUILDING PRODUCTS COM. WILL BE OFFERED

### Neither Bonds Nor Preferred Will be in Structure of Company

The stock market is expecting shortly to see some new financing for Building Products, Ltd., which has been of public investment interest for several years.

The project for reorganizing this company was kept a secret until a few days ago. The sudden strength displayed by the preferred stock indicates that something of advantage to holders of this stock will be offered when the terms of the new issue are made known.

**Has Had Good Year**

It is believed that the new issue will be one of no-par value common stock. There will be neither bonds nor preferred.

Building Products is reported to have made substantial progress in the last year. The company is a merger of two Canadian firms which originally were Canadian branches of United States concerns in similar lines of business. The Canadian branches did not get along very well after the United States connection was severed, until the merger made possible economies of manufacture, and markting.

## MILLIONS ADDED TO WEST'S WEALTH AS GRADE BETTERS

### Good Weather Has Improved Wheat in Every Section

### ALBERTA PROSPEROUS

### Furthest West of Prairie Provinces Has Amazing Crop and Will Show Big Buying Power

By GORDON RUTLEDGE

WINNIPEG.—This has been another wonderful week over the prairies with six or seven million bushels of wheat being taken in by the Western elevators every day. It is estimated now that the Manitoba crop is well nigh completed; that Saskatchewan is nearly eighty per cent. in and that sixty-five per cent. of Alberta's wonderful crop has been garnered.

Not only has the continued fine weather enabled the crop to be threshed and marketed but the grade throughout the West has risen amazingly.

Following the rain of a fortnight ago it was felt less than 30 per cent. would be straight grade. John Horn, of Western Canada Flour, stated this week that from Alberta at least it seemed there would be seventy-five per cent. straight. Elevator men bear out this necessarily rough prediction. From their local agents, all over have come glowing reports of improving grade, so glowing that they have had these checked back. They were correct. A near national calamity has been averted, and an amazingly good crop assured.

**Excellent in Alberta**

Alberta is the favored province. John Gillespie, of Northern Alberta says the Alberta farmer will be in a very strong position. Every one hesitates to estimate the yield. Based on what cautious men say it may well average thirty bushels to the acre, and Alberta has oats whereas Manitoba has not. Right now oats are being rushed to Manitoba. One large organization has just bought half a million bushels to sell to the Manitoba farmers who are pressingly in need of oats to keep their horses in shape for drawing grain and ploughing. They are paying up to a dollar a bushel. This of course is only a local condition and will cease as the fine Alberta oats arrive.

The Manitoba farmer fortunately is in good condition to stand the poor oat crop. Hay is abundant.

## Besco's Whole Future Depends on Results of Forthcoming Case

### "Priorities Action" May Determine Fate of Dominion Iron Co.

### BESCO'S PROFITS UP

### Annual Report Shows Very Strong Liquid Position—Might Allow Payment of Bond Interest Arrears

From Our Own Correspondent

MONTREAL.—The publication of the 1926 annual report of the British Empire Steel Corporation, coupled with the fact that the date of the trial of the "priorities action" has been set for November 9th next, shows that the whole situation surrounding Besco and the Dominion Iron & Steel Company is pregnant with possibilities.

The decision of the court in the "priorities action" may shape the whole future course of Besco, the Dominion Iron & Steel Co. and the general snarl between Besco and the National Trust Co. To obtain an idea of the various points involved in the "priorities action," it is necessary to go back to the time when the Dominion Iron & Steel Co. first went into the hands of the receiver.

At that time the Dominion Iron had borrowed from the banks some $2,300,000 under section 88 of the Bank Act, which allows the borrowing of money from a bank on the security of goods in process of manufacture. In addition, these loans were guaranteed by the holding company of the Dominion Iron Company, namely, the Dominion Steel Corp.

**Passed Bond Interest**

The Dominion Iron and Steel Company fell down on its bond interest requirements due, not to any deficiency in its current working capital, but because doubt had arisen in the minds of the Dominion Iron's bankers regarding the ability of the company to give security upon its products in process of manufacture. In other words, it was thought that the bondholders and not the banks would have the prior right to the proceeds of the sale of the finished products.

Since July 1, 1926, when the Dominion Iron first fell down on its bond interest, the $2,300,000 has been set aside and has been under the jurisdiction of the courts, pending the decision as to whether the bank or the bondholders have the prior claim on this sum. Besco and its subsidiaries have naturally taken the stand that these loans were obtained from the banks in the normal course of business as provided by section 88 of the Bank Act. The National Trust Co., on the other hand, acting on behalf of the bondholders, took the stand that the bondholders had the first claim on the assets.

**Court Will Decide**

On November 9th, the courts will decide whether the banks have the prior claim on this $2,300,000 or whether the bondholders have the prior claim.

If the banks have the prior claim, it

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## Pacific Coast Premier Asks Ottawa for Land to Bonus Peace Line

### Will Present Coast Claims to Provincial Conference

### GENERAL SUTTON BUSY

### Talks of Raising $45,000,000 from People of Vancouver, But They Shy at That

From Our Own Correspondent

VANCOUVER.—Hon. J. D. MacLean, British Columbia's new premier, when he reaches Ottawa will put before the conference of provincial premiers one of the biggest land settlement projects in the history of Canada. If it materializes, the scheme will bring about the colonization of the Peace River country and the construction of a railroad to link that potential grain empire with the Pacific Coast.

Demand for the building of a coast outlet for the Peace River is more insistent in British Columbia to-day than ever before and Premier MacLean, although approaching the subject with characteristic caution, is determined to get action at the Ottawa conference or go down fighting.

What British Columbia will ask at this conference, through MacLean, is the return by the Federal Government of extensive territory in the Peace River country. These lands, once in the hands of British Columbia, would be used by the provincial government in negotiations with private interests for construction of a Peace River railway. The legislature this year went on record as in favor of awarding a subsidy of 16,000,000 acres to those who undertake this venture, but the offer was conditional on Ottawa's release of the lands in question. "British Columbia is not big enough to handle this proposition on its own," said MacLean. "The Dominion should do its share. If a railway is built, the enterprise must be accompanied by a big immigration and settlement movement and the province alone could not embark on that with any hope of success. This is a National problem and should be so dealt with."

The premiers' conference will have no power, of course, to make the Peace River lands available for negotiations but its support of the MacLean proposals would carry considerable weight with Ottawa, it is believed. Before leaving MacLean had a conference with General Frank Sutton, whose financial exploits in British Columbia lately have been almost as sensational as his military ventures as advisor to Chang Tso Lin in China. Sutton has been touring the Peace River country plotting a tentative route for a railway to connect with the government owned Pacific Great Eastern Railway. He thinks the proposition is feasible and he will seek financial backing from associates in Great Britain. But General Sutton's plan appears to be regarded in official circles with considerable scepticism and business interests, too, regard it rather doubtfully, especially since his announcement in Edmonton that he proposed to ask Vancouver people to "loosen up" with $45,000,000 to help finance the deal. British Columbians do not take kindly to "stock selling" propositions and they wonder whether Sutton's project really comes within that category. The General will probably be more explicit when during the next few days he addresses a series of public meetings on his breath-taking scheme to open up the north country.

Sutton is seeking a land grant of 20,000 acres a mile of construction from British Columbia and a similar grant from Alberta. He contemplates building 150 miles. It is safe to say that if the Dominion government does not feel like building the proposed line itself the British Columbia government will give preference to the C.P.R. or C.N.R. in its negotiations.

### MARKETS ARE BETTER

MONTREAL.—An improved demand for newsprint is reported in New York, heralding the increased consumption which usually marks the fall of the year. The price of groundwood pulp is also showing some signs of improvement. American groundwood pulp is selling at about $26 at shipping points. Swedish pulp is reported unchanged and the market steady. There appears to be little betterment in the demand for sulphite pulp. Kraft markets are steady.

## B. & D. STOCK SO FAR IS BEST OF BEVERAGES

### Recent Jump to $16 Not Explained This Side of Atlantic

The distillery stock in the Canadian market which has made the most notable market rise is Brewers & Distillers, Ltd. This stock is now selling at more than three times its par value. It was issued in 1926 at 20 per cent. under par.

The stock was placed on the market in 1926 at $4 the share. The total issue was $4,900,000 of $5 par value. The bid price is now a shade better than $16 and little, if any, is to be had in the Canadian market. The stock is listed on the Toronto board, but it also is traded on the Montreal curb. Its real market, however, is London.

**Rise Is Sudden**

The rise from $10 to $16 has been sudden and efforts to discover on this side of the Atlantic a reason for the advance have been futile. It is assumed that something has taken place in London which increases the market value of the stock.

It is known that several members of the board of the Distillers Co., Ltd., the big British company, are on their way to this side of the Atlantic. There has been a report that a merger of the principal Canadian distilleries under the sponsorship of British capital is contemplated. However, H. C. Hatch, president of Gooderham & Worts and Hiram Walker is quoted as denying that any offer had been made for either or both of these properties.

Brewers & Distillers, Ltd., operates in British Columbia, and the dominating figures on its board are believed to be Henry Reifel, president, George C. Reifel and Henry F. Reifel all of Vancouver. The company was formed in 1926 to acquire the stock of British Columbia Breweries, 1918, Ltd., and British Columbia Distillery Co., Ltd. Both subsidiaries continue to operate under their old names for trade reasons.

### Begin Nov. 1st to Operate New Curb

Rearrangement of the internal facilities in the Toronto stock exchange will make it easier for the members to transact business in the unlisted, or curb, section. Each member of the exchange will be enabled to have a representative in the curb section of the floor without the purchase of an additional seat.

The new facilities will be in operation about November 1.

## Quebec Power Companies More Closely Associated

From Our Own Correspondent

MONTREAL.—It is said that the Montreal Light, Heat and Power Consolidated, Shawinigan Water and Power Company, and Southern Canada Power are to be brought more closely together by an interchange of shares. It is said that Southern Canada is to exchange 10,000 common shares for 10,000 shares of Montreal Power and that the same exchange is to be made with Shawinigan.

Shawinigan Water and Power, and Montreal Light, Heat and Power have, of course, been working in close accord for a great many years; recent developments in the power field have tended to bring Southern Canada Power into closer contact with the two older companies.

At the present time the three companies, operating in adjoining territories, have effected an interchange of power in a number of sections. In the Thetford Mines area, Southern Canada Power is supplying current to customers of Shawinigan Water and Power under a working agreement with the latter company, while a big block of the power used by Montreal Light, Heat and Power is bought by that company from Shawinigan Water and Power Company. Montreal Light, Heat and Power and Shawinigan jointly control and guarantee the preferred dividend of United Securities, and through this company control through stock ownership Canadian Light and Power, and Montreal Tramways.

**To Keep Out Competitors**

Although no official confirmation can be obtained of the alleged swap of shares, it is known that the three companies are interested in a scheme of closer co-operation and it is probable that measures have been, or will be adopted, which would tend to protect the territory the three companies serve from possible encroachment by other large producers of power looking for territories affording greater opportunities for expansion.

That several interests have been seeking control of Southern Canada Power has been known for some time, but it has been stated that the directors of the company have no desire to relinquish the helm at the present time and are content to see the company develop under the program they have mapped out and which has been progressing most favorably with consequent benefits to the shareholders.

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# Background of Canadian Business

By JOHN E. LANGDON, Business Editor, The Financial Post.

WEEKLY REVIEW OF CONDITIONS

## Uncertainty U. S. Trade Situation Reflected in Canada
## Varied Conditions Reported in Most Major Industries
## Over $111,000,000 Worth of Automobiles Marketed This Year
## Delay in Threshing Affects Revenue Freight Loadings
## Autumn Pick-up in Retail Trade Becoming More Pronounced

THE past nine months have not been devoid of reaction in some of the principal lines of Canadian industrial activity. Generally speaking, they have been unimportant, or only temporary, with the result that production has kept pace with, and in some instances, exceeded the high level established in 1926.

The past 24 months has been one of the longest periods of "prosperity" experienced by Canada. Just how long it will last no one knows. Leaders in various fields have publicly stated from time to time that the present activity is nowhere near the end. They point out many evidences of prosperity, laying particular stress on the wonderful crops of the past two years and the likelihood of another record return this year.

There is, however, a possibility of the country becoming sated with prosperity and a relapse taking place as a result. During the past month, there has been plainly apparent, a note of hesitancy, which is rather difficult to interpret. Waiting the outcome of the Western crops naturally has tended to call a halt on any extensive plans of production or development. And to this cause, may be attributed the decline which has taken place in October in a number of key industries.

### U.S. Status Important

Added uncertainty in the business situation, has been lent by the indefinite trend of conditions in the United States. While we have of late been prone to say that Canada has reached a point where commercial setbacks across the line have a minimum influence on business in this country, the fact remains that the two countries are correlated in so far as economics are concerned. What affects one affects the other. We are the best customer of the United States, and they in turn are the leading purchasers of Canadian products.

In the past, it has been noted that a business setback in the States is followed by a similar reaction in Canada about six months later. If this premise holds true, then it is significant to note that the first signs of any uncertainty in American business took place last spring.

### No Depression Present

There is no depression across the line, or, for that matter, in Canada. Whether there will be a gradual diminution of the enormous production of the past two years to a point where it more nearly meets demand, will be largely determined in the next three or four months.

As regards the present business situation in Canada, one of the most encouraging signs is the large volume of imports. Even during other years, foreign purchases were not on such a large volume or so extensive a scale. Imports in themselves are an excellent indication of internal activity. On that basis, Canada now is doing a greater business than it did last year.

Building is also more active. The large individual projects of last year, when the total value of construction approached the record years of 1913 and 1914, are not so prevalent this year. What is more important, however, is that the number of individual projects is much larger. Nor is the building activity confined to any one area, all sections reporting a good volume of work. This in turn has had an encouraging effect on allied lines of industry, such as lumbering, paint, brick, structural steel, etc.

### Steel Reflects Change

The iron and steel industry, which reflects very quickly any change in business, slowed up in September, after registering a number of good gains in output during the first eight months of the current year. Cumulative production of both iron and steel this year is still ahead of the corresponding period of 1926, the former being 15 per cent. and the latter 12 per cent. ahead.

It should be remembered in making a comparison of the iron and steel output with other years, that production this season has been curtailed by the universal change in automobile models and also to the fact that the Ford company has not been actively producing for several months. While competitive companies have secured a large share of business, many potential buyers are waiting to see the "new model,"

### Automobile Output Lower

All this had had an effect on automobile production and it is not surprising that the output in September declined to 11,262 cars from 12,526 in the previous month. For the nine months, production totalled 161,583 cars, having a sales value of $105,179,954; this marked a reduction of 10,717 in number from the total for the corresponding period of last year when 172,300 cars valued at $105,560,838 were produced in Canada.

Despite the drop in production, the apparent consumption of automobiles in Canada during the nine months shows an increase over the corresponding period of 1926. This is ample evidence of the increased buying power of Canadians. According to records of the Government, 144,695 cars were marketed in Canada between January and September, 1926, while this year, 148,196 have been distributed to the Canadian market. On a factory value basis, this means that $111,801,546 was spent by Canada to date this year for automobiles.

### Revenue Freight Slowing Up

Although aggregate revenue freight loadings this year is still ahead of last year, declines in recent returns have cut down the wide margin set up in the first half of 1927. This has been largely due to the unfavorable weather in the West which has held up threshing and consequently the movement of grain to the seaboard. Much will depend upon the ability of the Western farmers to get their crops threshed before the close of navigation.

An analysis of the traffic returns during the 41 weeks of the current year, shows that 6 of the 11 divisions record an increase in loadings, 2 a decrease and 3 little or no change. The most pronounced difference is in that of merchandise, the heavy increase indicating a widespread distribution of goods.

Week-end reports of the mercantile agencies indicate an improvement in the trade situation. The cool weather has created a demand for fall and winter goods and other seasonal lines are moving freely. Merchants generally seem to be optimistic and are all looking for further improvement. Generally speaking the third quarter has been the best so far.

# Agricultural Survey

## Threshing in Full Swing
## Grain Grading Higher
## Shipments Are Retarded
## Market Suffers Reaction

Favorable weather during the week, has enabled threshing outfits to work all day, and the greater part of the night, in the rush to get the Western grain crop garnered before the setting in of winter weather and closing of navigation.

Sun and wind have largely remedied the effect of the rains, and a good deal of the grain threshed is grading "straight." There is still a considerable amount of work to be done, and it is estimated that from three to four weeks will be needed before threshing is finally completed.

Although the West has a larger grain crop, late seeding and consequent late harvesting coupled with bad weather this fall has greatly impeded the movement of the crop to the seaboard.

### Movement Retarded

The heavy movement of grain to the head of the lakes has been retarded by some two or three weeks, and there is a shortage of over 20,000,000 bushels of wheat in the Fort William and Port Arthur elevators as compared with the usual amount in store there at this time of year. For the two month period, covering August and September, it is stated that only 16,000,000 bushels of the new crop were received as compared to 44,000,000 bushels last year.

In consequence of the retarding of the movement, the total amount of Canadian grain in storage on the North American Continent, which would include elevators on the Atlantic and Pacific seaboards, at Montreal, the Great Lakes, and on the prairies, as well as in the different elevators in the United States for the week ending October 7, was reported to be the lowest in the past six years. A comparison of the figures for the past three years showed 48,000,000 bushels for 1927, as compared to 74,000,000 in 1926 and 92,000,000 in 1925.

Fine weather will do much to accelerate the crop movement, but the season of navigation is fast drawing to a close and it will necessitate a most expeditious despatch of the Great Lakes fleet of grain carriers both at the head of the lakes and at Montreal, if last year's shipments by this route are to be maintained.

### Market Reacts

Increased movement of the new crop, and reports construed as bearish from Argentine, were responsible for further heavy liquidations during the week. Export demand was only moderate, but buying by commission houses did much to check falling prices. On the other hand, foreign traders were in the market for all available rye, making this the one exception to the general reaction.

# *Business Conditions in United States*

As indicated by check payments, the dollar volume of trade in the United States during the week ended October 15, although smaller than in the preceding week, was slightly higher than in the corresponding week of 1926, according to the weekly statement of the department of commerce. The wholesale prices continued their recovery and for the week were only slightly more than one per cent. lower than in the corresponding period of last year. Prices of cotton grain declined from the preceding week but were substantially higher than a year earlier. Wheat prices averaged higher than in the previous week but were slightly below the level of a year ago. Prices for iron and steel were lower than in either prior comparative period. The value of new building contracts awarded in thirty-seven states was lower than in either the preceding week or the corresponding week of 1926. Receipts of cotton into sight made similar comparisons with both prior periods.

Loans and discounts of federal reserve member banks receded from the high point of the preceding week but were substantially higher than in the corresponding week of last year. Prices of stocks listed on the New York Stock Exchange averaged lower than in the previous week but were substantially higher than in the same week of 1926. Loans by federal reserve member banks in New York City to brokers and dealers on stocks and bonds were lower than in the previous week but higher than a year ago. Interest rates on call money showed a decline both from the preceding week and the corresponding week of last year. Bond prices continued to average higher as compared with both prior periods. Interest rates on time money averaged lower than in either the previous week or the same week of 1926. The federal reserve ratio averaged higher than in either prior comparative period. Business failures were more numerous than a year ago.

Output of bituminous coal during the week ended October 8 was greater than in the preceding week but smaller than a year ago. The production of lumber during the same week was larger than in either the previous week or the corresponding week of 1926. Beehive-coke output, although greater than in the previous week, was substantially below the output of last year. Petroleum production receded slightly from the preceding week but was considerably higher than in the same week of last year. Receipts of wheat at primary markets were more than twice as large as a year ago, while receipts of cattle and hogs showed declines from the same week of last year.

**Weekly Business Indicators**

**Relatives numbers, average 1923-25—100**

| | Oct. 8 1927 | Oct. 9 1926 |
|---|---|---|
| Bituminous coal production .. | 105.5 | 126.9 |
| Lumber production .......... | 108.6 | 106.4 |
| Beehive coke production ..... | 44.1 | 84.9 |
| Petroleum production (daily average) ........... | 121.3 | 105.8 |
| Freight car loadings ........ | .... | 123.6 |
| Building contracts (27 states) | 134.5 | 122.6 |
| Wheat receipts .............. | 266.8 | 109.6 |
| Cotton receipts ............. | 256.9 | 360.4 |
| Cattle receipts ............. | 129.7 | 144.9 |
| Hog receipts ................ | 53.0 | 63.5 |
| Price No. 2 wheat ........... | 94.4 | 96.5 |
| Price cotton middling ........ | 78.3 | 48.2 |
| Price iron and steel composite | 87.1 | 91.4 |
| Fisher's price index .......... | 93.6 | 94.9 |
| Bank loans and discounts (ttl.) | 120.8 | 115.3 |
| Debits to individual accounts | 140.8 | 130.3 |
| Interest rates, call money .... | 100.0 | 115.1 |
| Business failures ............ | 106.6 | 96.1 |
| Stock prices ................ | 187.6 | 136.3 |
| Bond prices ................. | 110.1 | 105.8 |
| Interest rates, time money .. | 100.0 | 114.3 |
| Federal reserve ratio ........ | 96.6 | 95.1 |

### Fish Meal for Germany

Large quantities of fish meal from the refineries and reduction plants of the west coast of Vancouver Island are being assembled for the German market. Many thousand tons have been sold there this season.

### Western Honey Crop Larger

SASKATOON, Sask.—The honey industry in Saskatchewan has grown from six colonies in 1918 to 3,000 in 1926, according to provincial figures. The production of honey has risen from 1,100 lbs. to 170,000 lbs., and the value from $230 to $38,000.

# RUBBER INTERDICT IS STILL IN FORCE

## Colonial Office Advises No Change in Regulations on November 1

No change will be made on Nov. 1 in the regulations which at present govern the export of rubber from Malaya and Ceylon, according to a confirmed statement from the Colonial Office.

Under the Stevenson restriction plan the standard production which may be exported from Malaya and Ceylon will remain at 60 per cent. for the quarter, which begins with the first of next month. The Colonial Office reserves the right to make any change on Feb. 1, 1928, the first day of the succeeding quarter, if it is considered that a change is necessary. Notice as far ahead as is practicable will be given, the statement continues.

A more stringent application of the scheme had been advocated by the rubber producers for some months. It will be effected by a change in the assessment of the standard of production.

There is to be a new standard tapping system. Hitherto this has been one daily cut on a quarter of the circumference of each rubber tree. Under the modified tapping arrangement, there is to be one cut on one-half of the circumference of each tree every third day—a change which is equivalent to a reduction of 16 2-3 per cent.

In practice, however, the aggregate assessment of the Malayan plantations may not be reduced to the full extent of this percentage, as rubber not yet fully mature automatically is entitled to an increased standard at each annual reassessment.

The estimated standard of Malayan production for the current restriction year, which closes at the end of this month, for instance, is 340,000 tons. For the preceding year the corresponding figure was 301,000 tons, which, in turn, compared with 280,000 tons for the year ending Oct. 31, 1925.

Government territories concerned will be asked to overhaul the machinery of the restriction scheme with a view to increasing efficiency, and the government will be consulted as to whether any alterations are required in the regulations now in force, the statement adds.

# Canadian Business Indicators

Compiled weekly by The Financial Post

| | Latest This Year | Latest Last Year | To Date This Year | To Date Last Year |
|---|---|---|---|---|
| **Production—** | | | | |
| Pig iron, tons (Aug.) .............. | 63,234 | 58,780 | 517,844 | 496,876 |
| Steel, tons (Aug.) ................ | 77,479 | 45,674 | 620,039 | 541,705 |
| Newsprint, cwts. (Aug.) ............ | 180,187 | 162,545 | ....... | ....... |
| Automobiles (Sept. 1) .............. | 11,262 | 16,953 | 161,553 | 172,300 |
| Boots and shoes, pair (Aug.) ........ | 1,675,598 | 1,406,782 | 11,867,591 | 11,388,398 |
| Flour, bbls. (July) ................ | 1,019,000 | 1,212,000 | 9,123,000 | 10,194,000 |
| **Construction—** | | | | |
| Contracts awarded (Sept.) ...... | $32,787,700 | $20,761,400 | $304,873,700 | $280,865,400 |
| Buliding Permits( Sept. 1) ...... | $14,410,212 | $11,047,503 | $142,019,530 | $120,259,445 |
| **Labor—Employment index (Sept.) ..** | | | 109.7 | 104.9 |
| **Transportation—** | | | | |
| Car loadings (to Oct. 15) ........ | 77,225 | 85,244 | 2,574,034 | 2,475,898 |
| C.P.R. gross (Aug.) ............. | $17,258,634 | $16,630,174 | $122,129,911 | $118,456,381 |
| C.P.R. net (Aug.) .............. | 3,862,148 | 4,305,375 | 20,001,234 | 22,183,197 |
| C.N.R. gross (Aug.) ............ | $21,670,324 | $21,059,374 | $172,401,492 | $167,799,279 |
| C.N.R. net (Aug.) .............. | 4,094,298 | 4,027,133 | 20,632,067 | 23,049,875 |
| **Population—** | | | | |
| Emigration (Aug.) ................. | 8,131 | | 89,637 | |
| Immigration (July) ............... | 12,288 | ...... 16,227 | 89,722 | ...... 64,531 |
| **Trade (Sept.)—** | | | | |
| Imports ......................... | $91,802,777 | $85,562,911 | $816,388,700 | $750,782,945 |
| Exports ......................... | 97,412,316 | 92,224,610 | 833,447,713 | 898,793,982 |
| **Imports of key products (Aug.)—** | | | | |
| Rubber, lbs. .................... | 4,509,642 | ......(12 mos.) | 56,359,087 | 46,189,124 |
| Cotton, lbs. .................... | 7,266,657 | ......(12 mos.) | 145,180,642 | 134,405,517 |
| Sugar, lbs. (Sept.) ........... | 2,678,357 | ...... (9 mos.) | 27,601,045 | 23,279,092 |
| Petroleum, gals. ................ | 77,253,495 | ......(12 mos.) | 796,357,772 | 601,312,867 |
| Coke, tons ...................... | 72,823 | ......(12 mos.) | 800,126 | 1,050,061 |
| **Exports of key products (Aug.)—** | | | | |
| Newsprint, cwt. (Sept.) ........ | 3,377,105 | ......(12 mos.) | 36,861,132 | 32,929,884 |
| Automobiles, pass. (No.) ....... | 3,020 | ......(12 mos.) | 51,597 | 55,995 |
| Wheat, bus. ..................... | 12,197,098 | ......(12 mos.) | 253,922,029 | 269,761,912 |
| Wheat Flour, bbl. ............... | 513,702 | ......(12 mos.) | 9,302,114 | 10,671,368 |
| **Finance—** | | | | |
| Failures, number (Aug.) ........... | 147 | 121 | 1,150 | 1,109 |
| Failures, liabilities (Aug.) .......... | $2,371,788 | $1,971,664 | $18,765,691 | $18,518,577 |
| Bank Debits (Aug.) ................. | $2,607,000,000 | $2,446,000,000 | $21,313,000,000 | $19,411,000,000 |
| Bond sales (Sept.) ................. | $79,978,738 | $90,286,397 | $411,060,296 | $513,326,221 |
| Stock prices index (Oct. 15) ......... | ........ | ........ | 478.5 | 204.8 |
| Insurance sales (Aug.) ............ | $38,360,000 | $36,010,000 | $325,198,000 | $304,928,000 |
| **Wholesale prices (1913-100)—** | | | | |
| General index (Sept.) .............. | ........ | ........ | 151.0 | 152.5 |
| Iron ............................ | ........ | ........ | 142.6 | 144.3 |
| Cotton .......................... | ........ | ........ | 174.8 | 133.8 |
| Grains .......................... | ........ | ........ | 164.9 | 158.1 |
| Cattle .......................... | ........ | ........ | 115.1 | 100.7 |
| Rubber .......................... | ........ | ........ | 56.0 | 66.0 |


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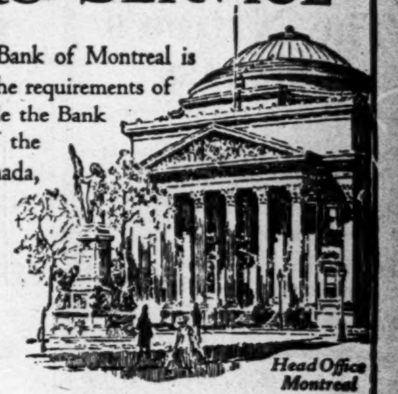



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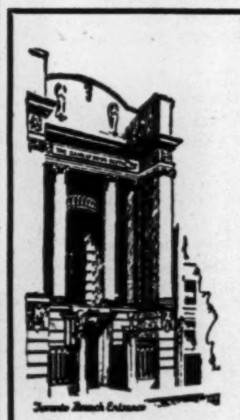


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# Fordney Tariff Deals Heavy Blow to Farm Goods Trade With U.S.

## High Tariff Policy of American Government Causes Drop in Agricultural Imports From Canada of Over $85,000,000 Between 1921 and 1927

From $159,498,000 in 1921 to $64,-427,000 in 1927!

This in brief tells the story of what happened to Canada's export trade to the United States in agricultural products in the last seven years.

The Fordney tariff was put into force in 1922 primarily for the purpose of "protecting" the American farmer from his Canadian neighbor, who was able to undersell him at home. The success of this move is apparent from the fact that the position of the American farmer to-day is little, if any, better than it was in 1922.

On the other hand, how has the Canadian farmer been affected? When the Fordney tariff was put into effect, the Canadian farmer was given a body blow that threatened to set him back many years. By courageously facing the situation and going out after new markets and intensively cultivating those connections already established, Canadian farmers have been ablè to market their products at an advantage, whereas his cousins across the lines are still trying to solve the "problem."

No one will deny that the severe curtailment of agricultural exports to the United States did not affect the Canadian farmer. Now that a reasonable length of time has passed, it is possible to determine which phase of farming bore the brunt of the Fordney tariff.

**Government Compiles Report**

A statement has been compiled by the External Trade Branch showing exports from Canada to the United States of principal commodities produced on Canadian farms, or manufactured directly therefrom, during the twelve months ended September, 1921, to 1927. This table has been conveniently divided into nine divisions covering the various classifications of farm products.

In the case of animals, except for improvement of stock, several notable changes are to be seen in this seven-year period. The number of cattle shipped to the States in 1921 was 247,-106, as compared with 194,037 in 1927, while at the same time values dropped from $15,277,621 to $6,699,406. Prior to May 27, 1921, cattle entered the States free of duty, whereas subsequent to September 21, 1922, a tariff was imposed ranging from 1½ cents to two cents per lb. Horses, poultry, and sheep exported declined in similar ratio.

While Canada does not carry on an extensive trade with the United States in fruits, there are certain years, when shipments across the line are very heavy in order to make up the difference between supply and demand. In 1921, 105,157 bbls. of fresh apples, valued at $441,297, were shipped from Canada. At that time the duty was 10 cents per 50 lbs. In the past fiscal year 28,123 bbls. found their way across the line, being valued at $138,482, only this time the tariff imposed was 25 cents per bushel of 50 lbs. Dried apple shipments in 1921 totalled 182,120 lbs., valued at $15,680. There is no record of a shipment being made last year. The duty on this item was raised from one to two cents per lb.

**Grain Trade Hit**

The United States until late years has been one of the best markets for Canadian grains. In 1921, that market took nearly 48,000,000 bushels of Canadian wheat, having a value of $99,762,230. Last year, 7,403,845 bushels were shipped to the States, worth $10,084,864. The cause of the decline, increasing the duty from nil to 42 cents a bushel of 60 lbs.

This does not tell all the story, however, for large quantities of Canadian hard wheat are being shipped to the United States, and which do not enter into the customs records. This is wheat shipped in bond for American millers, who in turn mix it with American soft wheat and compete with Canada in Europe and other markets for the world's flour trade.

Barley, oats, buckwheat, rye, and other grains have shown a similar decrease, in each instance a prohibitive tariff stifling the trade.

**Raise Tariff on Flour**

Another striking effect of the high wall tariff of the American government, is seen in the wheat flour trade. For years, the United States was recognized as one of the principal markets for Canadian flour. Millers on this side were producing a superior product and one which was much in demand. At the instigation of American millers wheat flour was taken off the free list and a duty of 1.04 per 100 lbs. was put in force. As a consequence, wheat flour shipments to the States dropped from 1,250,804 bbls., valued at $12,177,563 in 1921 to 6,664, worth $47,066 in 1927. In other words, the United States now ranks about thirty-sixth in a list of forty-seven countries importing Canadian wheat flour.

In the case of packing house products, the results are more favorable to Canada. This has been due to the fact that the tariff in one or two instances has been lowered.

Exports of bacon, hams, shoulders, sides, beef, and pork, in 1927 exceeded in value those of 1921, the previous high mark. On the other hand higher tariff has brought about a marked decline in shipments of mutton, lamb, poultry, etc., more than sufficient to offset the gain made by other items.

**Milk Products an Exception**

Although the tariff against the importation of milk and its products has been raised all along the line, exports of all products to the States, with the exception of condensed and powdered milk, and butter, show very heavy increases during the past seven years. Butter shipments dropped in quantity from 1,909,515 in 1921 to 495,500 lbs. in 1927, while values declined from $872,087 to $173,616, respectively, in the same period. Condensed milk shipments to the States in 1927 were 6,303,780 lbs., worth $694,464, as compared with 10,712,190 pounds, value $1,817,903 in 1921.

Cheese, cream and fresh milk are exceptions to the rule. In this seven-year period cheese exports have taken an enormous jump, from 310,771 lbs., value $89,822 in 1921, to 17,126,500 lbs., worth $2,997,591 in 1927. The duty on cheese has been doubled since 1922. Cream shipments also show a substantial increasing, having risen from 1,322,057 gals. to 4,379,364 gals.. and values from $2,056,313 to $7,646,-114. In 1927, 3,997,446 gals., value $798,997, were shipped to the States, compared with 1,265,584 gals., value $320,774 in 1921. Milk was on the free list prior to May 27, 1921, but is now taxed 2½ cents per American gallon.

Seeds, vegetables and miscellaneous products generally show a marked decline from the figures of 1921.

Without an exception, the tariff was increased on all agricultural products shipped from Canada to the United States.

### Cities Urge B. C. to Compel Auto Insurance

**From Our Own Correspondent**

VANCOUVER. — Compulsory liability insurance for auto drivers will be urged upon the provincial government by the Union of B. C. Municipalities and strong pressure will be brought to bear in the same direction by chambers of commerce and automobile organizations.

According to Ald. Frank Woodside, of Vancouver, the cities are now supporting several families because their breadwinners were killed in motor accidents for which there was inadequate financial compensation.

Although the Union of Municipalities is the first body to come out with a demand for public liability insurance, sentiment in favor of it is rapidly growing.

# FINANCIAL STATUS OF SASKATCHEWAN STANDS THE SAME

## Temporary Borrowings May Make it Necessary to Raise New Loan

Accounts of the Province of Saskatchewan for the year ended April 30 last, show only minor changes of a routine nature in the financial situation.

On the whole, there is little scope for criticism except perhaps in the comparatively small amount held in the sinking funds. As against this it is to be noted that the province is heavily committed in loans to the telephone department and the Farm Loan Board which provide their own reserves. Moreover, as Premier Gardiner announced in his budget speech last spring a policy has been undertaken of adding to the sinking fund sufficient to retire the present debt in 40 years. The effect of this policy is not noticed in the accounts just issued since they cover the period anterior to the Premier's announcement.

**Surplus Somewhat Smaller**

In general, the province shows a surplus of assets of $29,141,477, a somewhat less figure than in the previous year, when the surplus was $29,-574,980. The difference is largely due to redemption operations. On the actual operations of the year there was a surplus of income of $119,444.

Sinking funds totalled $1,959,404 at the end of the fiscal year as compared with $2,558,677 in the previous year. The effect of the reduction is seen in the total of outstanding debentures which totalled $47,898,376 at the end of the fiscal year, whereas at the beginning of the period they amounted to $48,271,415. The loan position has been stabilized by the redemption of treasury bills through more permanent borrowings. At the end of the fiscal year, 1925-26, the province had treasury bills outstanding of a total of $3,441,239 at the end of 1926-27, this has been reduced to $616,700. Altogether, during the year, there was redeemed by the operation of the sinking fund and by the replacement of treasury bills $4,641,539 of outstanding obligations and new issues of $4,-268,500 appear on the balance sheet making a total net reduction of debenture and temporary loans of $373,-039.

Farm loan debentures outstanding at the end of the year amounted to $9,662,900. Total assets appear as $87,170,159 as against $87,891,484 at the end of the period 1925-6. Among the assets appear telephones $10,134,-132, and owing by the Saskatchewan Co-operative Elevator Co., secured by mortgage $2,091,565.

**New Changes Expected**

When next the accounts are issued some striking changes may be noticed. There has been a reduction of taxation effective during the present year, notably in the levy for public revenue on the municipalities, while the income tax redemptions have been raised to the Dominion standard. Within the past three months, debentures of $3,892,000 have been redeemed, partly by the operation of the sinking fund and partly by temporary borrowings. The last maturity on October 1 was met, says treasury officials, by "money available for the purpose." This was made up of farm loan debentures issued in 1917 carrying 5 per cent. interest. The larger maturity was a six per cent. one of $3,000,000 issued in 1921 for public works and telephones.

In view of the temporary borrowings made in respect to these debentures it would appear to be not unlikely that the province will be on the market with a new loan, in the not far distant future.

### Larger Imports and Exports Reflect Active Rubber Trade

Activity in the Canadian rubber industry is reflected by the steady increase in the quantity of imports of raw rubber since the beginning of the year.

Comparison of values is not feasible, owing to the marked reduction which has taken place in rubber values during the past twelve months. For the first nine months of the current year, however, 57,-466,383 lbs. of raw rubber have been imported by Canadian manufacturers, as compared with 46,532,383 lbs. in the corresponding period of 1926.

At the same time, exports of the finished product have been keeping up remarkably well and are ahead of last year. From January to September pneumatic tire casings exnorted totalled 1,627,173, value $16,691,838, compared with 1,064,-490, value $13,963,627, in the same nine months of 1926. Inner tubes exported this year number 1,762,335, as against 1,054,147 in 1926, while values were $3,-121,162 and $2,470,764, respectively. Other items show a favorable increase in export trade.

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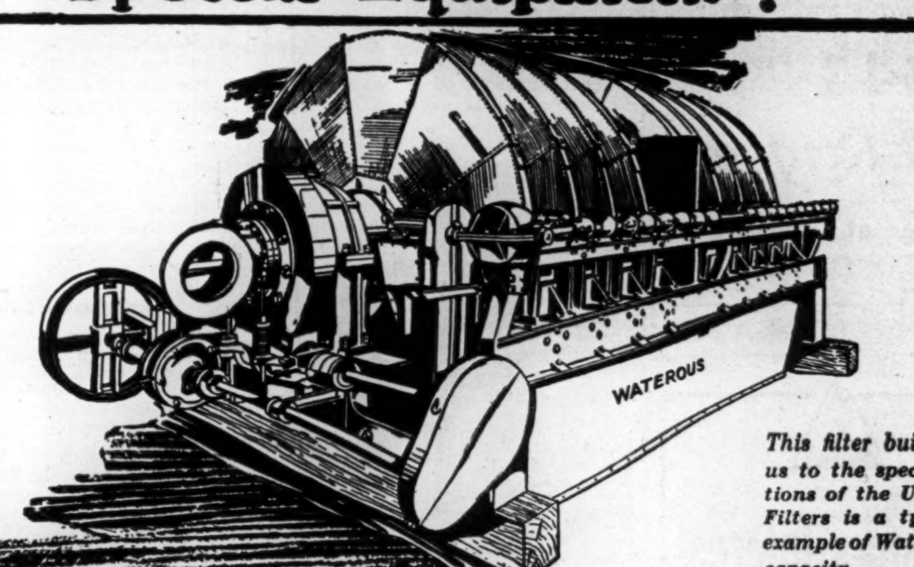


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## *Stock Market*

**MARKET INDICATOR**

| 20 Industrial Stocks | High | Low |
|---|---|---|
| Week of Oct. 26 | 122.7 | 116.4 |
| Week of Oct. 19 | 122.7 | 117.3 |
| Month of Oct., 1926 | 92.7 | 87.5 |
| **9 Bank Stocks** | | |
| Week of Oct. 26 | $282 | $274 |
| Week of Oct. 19 | .282 | 274 |
| Month of Oct., 1926 | 225 | 222 |
| **10 Public Utilities** | | |
| Week of Oct. 26 | $107 | $103 |
| Week of Oct. 19 | 109 | 106 |
| Month of Oct., 1926 | 89 | 83 |

**WEEK'S GAINS AND LOSSES**

| | Gains | Losses | Unch. | Total |
|---|---|---|---|---|
| Banks | 2 | 6 | 1 | 9 |
| Paper | 8 | 3 | 4 | 15 |
| Steel | 3 | 10 | 24 | 37 |
| Foodstuffs | 12 | 16 | 16 | 44 |
| Utilities | 8 | 15 | 8 | 31 |
| Tractions | .. | 10 | 6 | 16 |
| Textiles | 3 | 5 | 9 | 17 |
| Industrials | 20 | 24 | 27 | 71 |
| Total | 56 | 89 | 95 | 240 |

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# FRIENDS BELIEVE KELVINATOR WILL STAGE COMEBACK

## Parent Company's Difficulties Reported at Last to be Solved

Kelvinator of Canada common and preferred stocks have fallen to new low levels in the last few days. Holders of the preferred shares may have been disturbed to have discovered that the dividend cheques apparently came from the parent company in Detroit, as it has been known that the parent company recently has not been having a very satisfactory experience. The parent company guarantees the dividends on the preferred shares of the Canadian company.

Despite the fall in the market value of both classes of stock, some persons who are in fairly close touch with the affairs of the company are in some degree confident that the investment will be satisfactory. The explanation as to the dividends being paid directly by the parent company is that profits on export business done from Detroit, but accruing, as per contract, to the Canadian company, were not paid over prior to the dividend date and that the parent company, for this reason, paid the dividends itself. The reason for the delay in handing over these profits is not apparent.

**Difficulties Overcome?**

The factory at London, Ont., as yet is virtually inactive and the parent company has found it advantageous to fill most of the export orders direct from Detroit.

Electric Refrigeration Corp., controlling Kelvinator in the United States, Canada and Great Britain, has experienced a change of active management recently. The difficulties at Detroit are said to be due to a too rapid expansion. A recent issue of additional stock, it is said, has materially improved the cash position of the company and its friends say that the worst of its difficulties following completion of expensive new plants have been, or are about to be, overcome.

## Yield of Dividend Paying Common Stocks is Lower

A further decline took place in September in the yield of dividend-paying common stocks.

Average yields of 41 industrial and 17 public utility common stocks, inclusive of bonus payments, were 4.16 in August and 3.99 in September. The method used by the Bureau of Statistics in compiling these figures was to weigh each yield by the amount of stock outstanding, hence the resulting figures indicate the returns being received by investors on stocks bought at prevailing monthly average prices.

The following table shows the trend since the beginning of the year:

**Average Yield of Dividend Paying Common Stocks**

| | 41 Industrials | 17 Utility Public | All (58) Stocks |
|---|---|---|---|
| January | 5.13 | 4.59 | 4.60 |
| February | 4.93 | 4.33 | 4.38 |
| March | 4.86 | 4.22 | 4.29 |
| April | 4.67 | 4.15 | 4.19 |
| May | 4.60 | 4.14 | 4.34 |
| June | 4.65 | 4.14 | 4.37 |
| July | 4.64 | 4.08 | 4.33 |
| August | 4.44 | 3.94 | 4.16 |
| September | 4.11 | 3.85 | 3.99 |

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# Future of Oil Industry Encouraging Judging from Present Signs

## Widespread Use of Motor Cars Stimulate Consumption of Gasoline and Oil — Automobile Owners Spend Over $97,000,000 a Year on Refinery Products

Of those industries which have prospered in serving the needs of the public, whether artificial or real, oil refining, together with its component parts, has been in the van during the past two decades.

In this short time, the principal business of the oil industry has evolved from the supplying of kerosene for household needs to the furnishing of oil and gasoline for the hundreds of thousands of motor cars now in daily use throughout the Dominion. To keep those vehicles supplied with the necessary items of motive power and lubrication, new oil fields have had to be discovered; refineries constructed and enlarged; new processes of extracting gasoline from crude oil developed, distribution methods modernized, etc.

While Canada to date has not been fortunate enough to develop a commercial oil field of more than passing importance, refining and distribution methods have been developed to such an extent that they are second only to those of the United States. Thus, all the crude oil used in Canada, except for a small quantity produced in Western Ontario and Southern Alberta, comes from the United States or South America. Refineries have been established at strategic points across the country, and by means of pipe lines, trucks, tank cars and other methods of distribution, meet the needs of a great army of oil and gasoline users.

**Five Important Refineries**

While there are thousands of oil and gasoline stations in the Dominion, major operations such as refining and distributing in wholesale quantities, are carried on by five large companies, in each of which there is a substantial public investment interest. All have been in the business for many years: in fact, have practically grown up with industry since it took on more than local importance.

The largest of these is the Imperial Oil Co., with refineries at Halifax, Montreal, Sarnia, Regina, Calgary and Vancouver and warehouses, storage depots, filling stations, etc., at every centre of importance. On an original capitalization of $10,000,000, this company has distributed to its shareholders in the last twelve years, dividends and bonuses amounting to nearly $50,000,000. To-day, its 6,548,267 shares of no par value common stock has a market value of about $256,347,753.

Another distributor and refiner, which is not so well-known nationally is that of McColl Bros., but which, nevertheless, has 21 branches in 8 provinces and plants in Toronto, Montreal, Winnipeg, Vancouver, Regina and Calgary. This company had been a "family" concern for nearly 50 years, but in the last year has made a public offering of its stock. On its present market value, this enterprise represents an investment interest of nearly $5,760,000.

A company more nearly approaching that of the Imperial Oil in magnitude and interests, is that of the British-American Oil, which operates branches and plants to the number of 400 in Quebec, Ontario, Manitoba, Alberta and Saskatchewan. On its present capitalization of 1,080,000 shares of no par value, its market worth is $34,560,000.

Another of the Big Five is that of North Star Oil and Refining Co., which prior to 1921, had been operated under the name of the Continental Oil Co. of Canada. This concern operates a refining plant at Winnipeg and maintains distributing plants at Calgary, Saskatoon, Regina and other important centres throughout the Western Provinces. Although not so well known to the Eastern Canadian investing public, the stocks of this company have a market value of close onto $7,000,000.

The remaining member of this group is the Canadian Oil Co. This firm maintains 75 oil distributing stations throughout Canada, but mainly in the Province of Ontario. Its present-day market value is about $35,000,000.

**Half a Billion Invested**

Although there are other large and important refiners and distributors of oil, the above represent the major companies in which there is a domestic investment interest. They represent market value of over half a billion dollars and conservatively speaking, account for over three-quarters of the Canadian oil and gasoline business.

In view of their phenomenal advance in value during the past few years, it has been rightly asked if their future growth has not been fully discounted. If the period of maximum consumption of their principal product — gasoline — has not been reached? If they will not be subject to the vagaries of the ups and downs of the American oil market, which is largely the source of raw materials for their operations? And if these are not the decided factors, will they be able to continue to record the substantial gains in earnings made in the past.

**Growth Depends on Motor Car**

The answer to these questions, one and all, depends almost wholly on another question:—Has the point of saturation been reached in the motor car industry?

The problem of securing crude oil supplies is not so important to the Canadian distributing companies as those in the United States which operate their own wells. The concerns on this side of the line are free agents in the matter of purchasing their own supplies of crude, and with the exception of Imperial Oil, have little or no interest in producing companies. Therefore, they are able to take advantage of the numerous depressions which affect the price of crude, much to their own profit.

Thus a continuation of prosperity in the oil refining industry revolves around the purchase of a larger number and more frequent use of motor vehicles. An analysis of this question and the probable affect of more widespread use of automobiles on the oil refining and distributing industry, leads one to be most optimistic on the future outlook for the companies mentioned.

The rapid increase in the use of motor vehicles in Canada has been one of the outstanding developments of our time. Hardly two decades have passed since its introduction, and from a curiosity it has developed into a vehicle of transportation used for every conceivable purpose. In 1907, there were only 2,130 motor vehicles registered in Canada; in 1927, 830,881. The manner in which this increase has taken place is seen in the accompanying table.

**Saturation Point Distant**

The experience of the United States would seem to indicate that Canada is still a long way from reaching a saturation point in consumption of motor cars. An important factor working to the increase in absorptive power is the growth of instalment selling. Another, is the fact that the price of cars, especially used cars, are lower than ever before, and are coming within reach of a constantly increasing number of potential buyers. At the same time, the buying power of the individual citizen in Canada is increasing each year. Since 1920, it is estimated that the annual average consumption of motor cars has been between 80,000 and 100,000—the past two years being well over the latter mark.

This enormous increase in the use of motor vehicles has not been solely due to the popularity of this mode of conveyance, but to the establishment of good roads between principal urban centres and the improvement of urban and provincial highways. It is estimated that there are about 60,000 miles of improved highways in this country, a good proportion of which are paved. By thus facilitating travel by automobiles for both pleasure and utilitarian purposes, demand for the machines has increased correspondingly.

It is not necessary to dwell in detail on the effect this rapidly increasing number of automobiles in daily use has had on the oil refining and distributing business. But few people have any concrete idea of the enormous quantities of gasoline and oil used in the operation of motor cars. Moreover, it is difficult to arrive at such figures without an exhaustive survey of all available figures. Unfortunately, the various oil companies do not make public figures on production, so that individual production is a matter of guesswork.

**Consumption Runs High**

As for the industry as a whole, it is impossible to arrive at a reasonably accurate estimate of the amount of gasoline used in motor car operations during the course of a year. With the exception of Saskatchewan, all the provinces have in force a gasoline tax, ranging from two to three cents per gallon, which revenue is used for the maintenance and improvements of highways. By a few simple calculations, it is possible to arrive at the apparent consumption of gasoline by provinces during the past two years, as shown in the accompanying table. The figures for Saskatchewan are estimated insofar as consumption is concerned.

One would not be far wrong in estimating that of the total motor oil and gasoline business, the Imperial Oil, British American, Canadian Oils, McColl Bros., and North Star Refining Companies account for nine-tenths of it.

On the basis that the motor car is run on an average 6,000 miles a year in Canada, and that the cost per mile of oil and gasoline is $1.95, several interesting deductions are made, which, if not wholly accurate, give an approximate idea of the importance of the motor car trade to the oil refining and distributing companies.

**Spend Over $97,000,000**

This means that motor car owners in Canada are spending on gasoline and lubricating oils approximately $97,000,000 a year, on the basis of 830,000 cars in use.

The above naturally does not represent the entire revenue of the companies concerned. All have sundry products and subsidiary interests which bring in a tidy sum each year, and which goes to swell operating profits. But it is apparent that the oil and gasoline business represents by far the largest portion of their income.

Another angle of the rapid increase in business of the oil companies is to be seen in the manner in which imports have grown during the past five years. It will be seen in the table on imports that crude petroleum imports have advanced about 50 per cent. in the last five years; the volume of gasoline has nearly trebled, while lubricating oil has been imported in steadily increasing quantities.

There is every reason to believe that the progress of the past ten years will be duplicated in the next decade.

**Record of Motor Car Registrations**

| Year | Number |
|---|---|
| 1907 | 2,130 |
| 1910 | 8,967 |
| 1912 | 34,136 |
| 1914 | 69,598 |
| 1916 | 123,464 |
| 1918 | 275,746 |
| 1920 | 407,064 |
| 1922 | 513,821 |
| 1923 | 585,050 |
| 1924 | 652,121 |
| 1925 | 728,005 |
| 1926 | 830,881 |

**CONSUMPTION OF GASOLINE BY MOTOR VEHICLES IN CANADA**

| Province | No. of Cars | Consumption | Average Per Car |
|---|---|---|---|
| Alberta, 1925 | 54,357 | 15,570,200 | 287 |
| 1926 | 65,590 | 21,188,900 | 323 |
| British Columbia, 1925 | 56,618 | 19,543,030 | 345 |
| 1926 | 68,009 | 22,384,800 | 329 |
| Manitoba, 1925 | 51,241 | 13,241,470 | 258 |
| 1926 | 57,857 | 17,433,800 | 301 |
| Ontario, 1925 | 344,112 | 65,866,666 | 191 |
| 1926 | 388,728 | 112,536,370 | 289 |
| Nova Scotia, 1925 | 22,853 | 6,170,310 | 270 |
| 1926 | 25,879 | 6,883,233 | 266 |
| New Brunswick, 1925 | 19,022 | 3,271,784 | 172 |
| 1926 | 21,541 | 3,988,433 | 185 |
| Prince Edward Island, 1925 | 2,955 | 984,750 | 333 |
| 1926 | 3,460 | 1,405,400 | 406 |
| Saskatchewan, 1925 | 79,078 | 22,932,600 | 290 |
| 1926 | 97,267 | 29,666,435 | 305 |
| Quebec, 1925 | 97,657 | 25,843,900 | 265 |
| 1926 | 108,332 | 33,733,435 | 311 |

**IMPORTS OF LUBRICATING OILS, PETROLEUM AND GASOLINE—1923 TO 1927x**

(Gallons—Fiscal Years)

| | 1923 | 1924 | 1925 | 1926 | 1927 |
|---|---|---|---|---|---|
| Crude petroleum | 398,701,937 | 419,139,411 | 443,258,490 | 472,636,595 | 605,224,341 |
| Gasoline | 28,028,341 | 48,751,110 | 77,371,650 | 82,978,582 | 87,482,057 |
| Lubricating oil | 7,322,916 | 8,819,388 | 7,929,463 | 8,782,807 | 10,823,082 |

xLargely with reference to motor vehicle operations only.

INVESTMENTS

Securities unaffected by wide market fluctuations are assets of constant and known value. The following investment issues are well secured, pay a satisfactory interest return and are readily marketable.

Federal and Provincial Government and Municipal Security offerings will be submitted on request

*Public Utility*

| | | | | |
|---|---|---|---|---|
| Bell Telephone Co. of Canada | 5% | 1957 | 103.50 | 4.78% |
| Canada Northern Power Corp. Ltd. | 6½% | 1941 | 103.50 | 6.12% |
| Canadian Pacific Railway | 4½% | 1944 | 98.50 | 4.63% |
| Canadian Pacific Railway | 5% | 1934 | 102.00 | 4.65% |
| Gatineau Power Company | 5% | 1956 | 99.00 | 5.07% |
| Manitoba Power Company, Ltd. | 5½% | 1951 | 103.50 | 5.25% |
| Montreal Tramways Company, Ltd. | 5% | 1941 | 101.00 | 4.95% |
| Montreal Tramways Company, Ltd. | 5% | 1955 | 98.00 | 5.14% |
| Montreal Light, Heat & Power | 5% | 1951 | 102.00 | 4.86% |
| Montreal Island Power Company (Carrying warrants to purchase 2 shares Common with each $1.000 bond) | 5½% | 1957 | 101.00 | 5.45% |
| Northwestern Utilities Ltd. | 7% | 1938 | 103.75 | 6.50% |
| Ottawa & Hull Power Co., Ltd. | 6% | 1948 | 105.00 | 5.60% |
| Ottawa River Power Co., Ltd | 6½% | 1953 | 105.00 | 6.12% |
| Shawinigan Water & Power Co. | 4½% | 1967 | 95.50 | 4.75% |
| Southern Canada Power Co., Ltd. | 5% | 1955 | 101.00 | 4.94% |
| Winnipeg Electric Company | 6% | 1954 | 103.50 | 5.75% |

*Industrial*

| | | | | |
|---|---|---|---|---|
| Canada Paper Company | 6% | 1945 | 101.00 | 5.90% |
| Canada Steamship Lines | 5% | 1943 | 101.00 | 5.45% |
| Canada Steamship Lines | 6% | 1941 | 101.50 | 5.85% |
| Wm. Davies Company, Ltd. | 6% | 1942 | 96.00 | 6.40% |
| St. Lawrence Paper Mills, Ltd. | 6% | 1947 | 100.00 | 6.00% |
| Windsor Hotel Company | 6½% | 1943 | 106.00 | 5.90% |

*Preferred Stocks*

| | | | about |
|---|---|---|---|
| Eastern Dairies, Ltd. | 7% | Market | 7.00% |
| Canada Northern Power Corp. Ltd. | 7% | " | 7.00% |
| East Kootenay Power Co., Ltd. | 7% | " | 7.00% |
| Ottawa & Hull Power Co., Ltd. | 7% | " | 7.00% |
| Power Corporation of Canada, Ltd. | 6% | " | 6.00% |

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# Frontenac Oil Buys Three Rivers Oil and Gas Co.

MONTREAL.—In pursuance of its programme of expansion, Frontenac Oil Refineries, Ltd., have acquired the Three Rivers Oil & Gas Company. The latter company is an extensive distributor of gasoline and oil in Three Rivers, Joliette, Shawinigan Falls, and the surrounding countryside. Up to the present the majority of the Frontenac Oil Refineries, Ltd., service stations have been located on the Island of Montreal, and in the Eastern Townships, where some 17,000 stations are meeting the demands of motorists in this area. The new purchase will open hitherto untapped territory on the north side of the St. Lawrence.

C. O. Baptiste and L. H. Reid, the founders of the Three Rivers Oil and Gas Company have been retained to supervise sales and services in the new territory.

It is stated that no new financing will be necessitated by the recent purchase of Frontenac Oil Refineries. The necessary capital has been provided in large part by the $1,000,000 Frontenac Oil Refineries, Ltd., 6½ per cent. first mortgage bonds, which were offered by Nesbitt, Thomson & Co., Ltd., last month. These were twenty year bonds maturing August 1, 1947, and were offered at 100 and accrued interest, to yield 6½ per cent. The bonds carried a bonus of five shares of no par value common stock with each $1,000 bond. At that time common stock adjustments were being made on the basis of $10 per share. Frontenac Oil Refineries stock, in common with the other oil stocks, has attracted the interests of the investor. The stock is now quoted at around $20 per share after selling up to 26.

# Big Contract Rumor Sends Lyall Stock to New High Levels

**From Our Own Correspondent**

MONTREAL.—Rumors of the closing of a large contract by P. Lyall and Sons Construction Co. attracted much attention to the stock this week, and on the strength of the demand the shares rose to a new high.

Officials of the company have nothing to say regarding the contract for which the company is supposed to be tendering. The work is located outside of the Dominion and the amount involved runs into figures larger than the company has yet obtained for any contract. As far as can be learned, the company has submitted tenders for the work, but has not yet been advised as to whether its tender has been accepted or not.

P. Lyall and Sons has not yet completed its Welland Canal contract, where it is engaged in construction work on sections 3 and 4 of the canal. It had a force of some 500 to 600 men employed on this work during the summer, but operations will be brought to a close for the season as soon as the freeze-up sets in.

The Steel Gates Co., a wholly owned subsidiary, secured the contract for the steel gates to be installed in the canal. This work is progressing satisfactorily, and the fabrication of the gates will be continued throughout the winter months in the Hamilton Bridge plant.

Another large contract on which the Lyall company is working is the new concrete viaduct at Toronto. This work was begun in the summer of 1926, and will be completed in about 18 months.

The company has millions of dollars of business on its books, but no dividends have been paid on the common stocks since 1922.

# THIRD KING EDWARD PAYMENT IS HINTED

## Prospects Are Bright for Leading Hotel in Toronto

The vast improvement that has taken place in the earnings of King Edward Hotel, Toronto, was demonstrated when the directors, on October 22nd, voted an interim dividend of $2 the share and intimated that a further $2 would be paid before the end of the current year. This will make $5 in all, the initial dividend of $1 having been paid earlier this year.

Last year, King Edward Hotel showed earnings of only $1.80 on the common stock.

**New Law Brings Visitors**

It is said that the immediate future of the property is bright. As has been reported in The Financial Post, December will be the only month this year when there will be an operating loss and it is expected that January, which in most hotels is a red-ink month, will be even better than this year, when a number of conventions swelled the revenue.

Although under the Ontario liquor law, the hotel is not permitted to operate a beverage room, the liberalizing of the statute undoubtedly has had the effect of encouraging the tourist trade and this has benefited the hotel to a marked degree.

King Edward Hotel is controlled and operated by United Hotels, which has guaranteed fixed charges. Preceding the common stock are a first mortgage, totaling $2,300,000, two classes of bonds totaling $1,150,000, and two classes of debentures, totaling $3,350,000, making a funded debt, in all, of $6,825,000.

## Think F. P. Jones Will Devote Time to Asbestos Corp.

Will Frank P. Jones, former head of Canada Cement Co., take more active part in the management of Asbestos Corp.?

It will be recalled that Mr. Jones, J. W. McConnell, and Arthur F. White, a year ago were named a finance committee for Asbestos Corp. It is believed that Mr. Jones, now that he has been freed from the responsibility of Canada Cement, will devote more time to the affairs of Asbestos Corp.

### RAILWAY EARNINGS

| Week End. Oct. 21 | 1927 | 1926 | Change |
|---|---|---|---|
| C. P. R. ... | $4,470,000 | $5,084,000— | $614,000 |
| C. N. R. ... | 5,484,313 | 6,038,587— | 554,274 |

## Unlisted Stocks

These prices are mostly as at October 25, and while obtained from reliable sources, cannot be guaranteed.

### Industrial Stocks

| | Bid | Asked |
|---|---|---|
| A. W. Chase, com. | 4.00 | 7.00 |
| A. W. Chase, pref. | 60.00 | .... |
| Border Cities Pref. Bonus | $ 31.00 | $ 39.00 |
| Bowles Lunch | 100.00 | .... |
| Brandram Henderson, Com. | 18.00 | 22.00 |
| Brandram Henderson Pref. | 77.00 | 82.00 |
| Brantford Roofing | 97.00 | .... |
| Brooks Steam Motor Units | 2.00 | 3.50 |
| Canada Machinery Com. | 10.00 | 12.00 |
| Canada Machinery Pref. | 26.00 | 30.00 |
| Canadian Celanese | 80.00 | 82.00 |
| Can. Paperboard Pref. | 90.00 | .... |
| Canadian Westinghouse | 195.00 | .... |
| Caulfields Dairy Com. | .... | .... |
| Caulfields Dairy Pref. | 87.00 | 26.00 |
| Copeland Flour Mills Pref. | 19.50 | 95.00 |
| Dom. Alloy Pref. Bonus Com. | 1.50 | .... |
| Dom. Foundries & Steel Com. | 1.50 | 2.50 |
| Dom. Foundries & Steel Pref. | 22.00 | 3.50 |
| Dom. Linens Pref. | 17.00 | .... |
| Dom. Manufacturers Com. | 6.00 | 23.00 |
| Dom. Manufacturers Pref. | 66.00 | .... |
| Dom. Power Com. | 30.00 | .... |
| Dom. Power Pref. | 101.00 | 34.00 |
| Dom. Sewer Pipe Com. | 60.00 | 103.00 |
| Dom. Sugar Com. | 20.00 | 65.00 |
| Dom. Sugar Pref. | 93.00 | 25.00 |
| Dunlop Tire Pref. | 97.00 | 99.00 |
| Durant of Canada | 2.50 | 101.00 |
| Farmers Dairy Com. | 125.00 | 3.50 |
| Farmers Dairy Pref. | 102.00 | .... |
| Gillett, E. W. | 65.00 | 110.00 |
| Goodyear Cotton 7% Pref. | 97.00 | .... |
| Gotfredson Truck Com. | 15.00 | 102.00 |
| Greening Wire Pref. | 97.00 | 20.00 |
| Guardian Realty Pref. | 60.00 | 101.00 |
| Hamilton United Pref. | 72.00 | 65.00 |
| Huethers Brewing Pref. | 3.50 | .... |
| King Edward Hotel "A" | 81.00 | 6.50 |
| King Edward Hotel "B" | 81.00 | 85.00 |
| Kingston Ship-Building Pref. | 17.50 | 85.00 |
| Loew's Buffalo Pref. | 32.00 | .... |
| Loew's London Com. | 5.25 | 37.00 |
| Loew's London Pref. | 8.00 | 6.00 |
| Loew's Mansfield Pref. | 80.00 | 8.75 |
| Milton Brick Co. | 15.00 | .... |
| National Grocers 1st Pref. Ex. Div. | 97.00 | 20.00 |
| National Steel Car Com. | 30.00 | 100.00 |
| Nova Scotia Tramways | 2.00 | .... |
| Nova Scotia Tramways, Pref. | 20.00 | .... |
| Palace Thea. (Montreal) Pref. | 52.00 | .... |
| Pure Food Com. | 25.50 | 28.50 |
| Simpson, Robt., Pref. | 103.00 | .... |
| Toronto Baseball Club | .... | 90.00 |
| Toronto Carpet Pref. | 96.00 | .... |
| Willards Choc. Pref. | 58.00 | 70.00 |

### Insurance

| | Bid | Asked |
|---|---|---|
| British America | 42 | .. |
| Canadian Fire, Full Pd. | 112 | 125 |
| Canada Life | 1025 | 1100 |
| Canada National | 16 | 20 |
| Capital Life, 20% Pd. | 22 | 25 |
| Casualty of Canada, Full Pd. | 180 | .. |
| Commonwealth, 10% Pd. | 21 | 25 |
| Confederation Life, 10% Pd. | 82 | .. |
| Continental Life, 20% Pd. | 60 | 66 |
| Crown Life, Full Pd. | 280 | .. |
| Dom. of Can. Guar. & Ac. | 300 | .. |
| Dominion Fire | 105 | .. |
| Dominion Life, 50% Pd. | 400 | .. |
| Excelsior Life, 30% Pd. | 105 | . |
| Federal Fire, 25% Pd. | 35 | .. |
| Fidelity of Canada, Full Pd. | 120 | 140 |
| Great West Life, Full Pd. | 490 | 525 |
| Imperial Life, 85% pd. | 400 | .. |
| Manufacturers Life, 45% Pd. | 450 | 475 |
| Monarch Life, 10% Pd. | 41 | 45 |
| Montreal Life, 20% Pd. | 56 | 62 |
| National Life, 25% Pd. | 70 | 75 |
| Ontario Equitable, 10% Pd. | 34 | 37 |
| Security Life, 45% Pd. | 10 | 20 |
| Sovereign Life, 25% pd. | 58 | 65 |
| Sun Life, 75% Pd. | 1625 | 1700 |
| Toronto Casualty | 27 | 30 |
| Western Assurance | 45 | .. |

### Mortgage, Loan, Etc.

| | Bid | Asked |
|---|---|---|
| B. C. Permanent Loan | $100.00 | $ .... |
| British Mortgage & Trust | 202.00 | .... |
| Capital Trust | 55.00 | 65.00 |
| Chartered Trust | 81.00 | 86.00 |
| Commercial Finance Com. | 25.00 | 30.00 |
| Commercial Finance Pref. | 79.00 | 83.00 |
| Debentures & Sec. Com. | 64.00 | 70.00 |
| Debentures & Sec. Pref. | 65.00 | 70.00 |
| Lambton Loan & Savings | 81.00 | .... |
| London Loan & Savings | 46.00 | 50.00 |
| Mfg. Finance Pfd. Bonus Com. | 6.50 | 7.50 |
| Midland Loan & Savings | 15.00 | .... |
| Mortgage Discount Pref. | 6.50 | 7.50 |
| Mortgage Discount Com. | .40 | .80 |
| Mutual Finance Com. | 6.50 | 7.50 |
| Mutual Finance Pref. | 6.50 | 7.50 |
| Peoples Loan & Savings | 77.00 | .... |
| Sherbrooke Trust Co. | 110.00 | .... |
| Saskatchewan Mortgage | 80.00 | .... |
| Sterling Trust | 87.50 | .... |
| Toronto Finance | .... | 4.00 |
| Waterloo Trust & Savings | 100.00 | .... |

### Club Shares

| | Bid | Asked |
|---|---|---|
| Bayview Golf | $ .... | $ 35.00 |
| Lakeview Golf | .... | 70.00 |
| Lake Shore Golf | .... | 35.00 |
| Lambton Golf | 390.00 | 425.00 |
| Mississauga Golf | 15.00 | 35.00 |
| Rosedale Golf | 125.00 | 150.00 |
| Summit Golf | 20.00 | 35.00 |
| Thistledown Golf | 45.00 | 60.00 |
| Thornhill Golf | .... | 85.00 |
| Toronto Winter Club | .... | 45.00 |
| Weston Golf | 75.00 | 95.00 |
| York Downs Golf | 265.00 | 295.00 |

### Recent London Quotations

| | Sales |
|---|---|
| Calgary Power | 51 |
| Hudson's Bay | 85s. 1½d. |
| Hudson's Bay 5% Pref. | 96s. 3d. |
| Can. West Lumber | 4s. 3d. |
| Standard Chemical 7% | 21 |
| Dominion Tar | 39s. 6d. |
| Mond Nickel | 65s. |
| Lake Superior | 3 |

### Recent Vancouver Quotations

| | Sales |
|---|---|
| B. C. Telephone Pfd., new | 105½ |
| Pacific Coyle, com. | 14a. |
| Gosse Packing, com. | 52a. |
| Do., Pref. | 93a. |

### Recent Winnipeg Quotations

| | Bid | Asked |
|---|---|---|
| Beaver Fire Co. | 120 | .. |
| Can. Fire Ins. Co. | 107 | .. |
| Home Inv. and S. Assn. | 73 | .. |
| N. Mtge., fully paid | 75 | .. |
| N. Mtge., 50% paid | 36½ | 40 |
| Northern Trusts Co. | 40 | .. |
| Standard Trusts Co. | 30 | .. |
| N. Star Oil Co., pref. | 5.00 | .. |
| N. Star Oil, com. | 1.90 | .. |

## Stock Market Record

WEEK ENDING OCTOBER 25

| | Div. Rate | Yield Oct. 24 | High for wk. | Low for wk. | Close Oct. 25 | Close Oct. 18 | Sales for wk. | Range, 1927 High | Range, 1927 Low |
|---|---|---|---|---|---|---|---|---|---|
| **Banks—** | | | | | | | | | |
| Commerce | 12+1 | 4.81 | 270 | 263 | 268 | 264 | 436 | 295 | 228 |
| Dominion | 12+1 | 5.05 | 260 | 250 | 258 | 250 | 62 | 275 | 217 |
| Can. Nationale | 10 | 5.26 | 191 | 190 | 190 | 190 | 42 | 198 | 160½ |
| Imperial | 12+1 | 5.39 | 244 | 241 | 241 | 244 | 156 | 256 | 214 |
| Montreal | 12+2 | 4.23 | 334 | 327 | 327 | 335 | 187 | 355½ | 272 |
| Nova Scotia | 16 | 4.35 | 370 | 360 | 368 | 370 | 139 | 399 | 298 |
| Royal | 12+2 | 4.38 | 321 | 310 | 315 | 322 | 540 | 344 | 257 |
| Standard | 12 | 5.02 | 240 | 239 | 239 | 240 | 64 | 250 | 196 |
| Toronto | 12+1 | 4.72 | 275½ | 273 | 273 | 276 | 154 | 287 | 227 |
| **Paper—** | | | | | | | | | |
| Abitibi, com. (no par) | 5 | 3.63 | 137½ | 126 | 130 | 133½ | 14490 | 140½ | 82 |
| Do. pref. | 7 | 5.64 | 124 | 123⅝ | 124 | 124 | 11 | 125 | 113 |
| Belgo-Can. pref. | 7 | 6.73 | 105 | 104 | 104 | 104 | 95 | 105¼ | 101 |
| Brompton (no par) | $2 | 4.02 | 52 | 47 | 52 | 47½ | 18615 | 52 | 31 |
| Fraser, pref. | 7 | 6.66 | 105 | 104½ | 105 | 104½ | 170 | 105 | 96 |
| Inter. Paper, c. (no par) | $2.40 | 3.53 | 68¼ | 62¾ | 67 | 64¾ | 161500 | 68¼ | 39½ |
| Do. pref. | 7 | ... | ... | ... | ... | ... | ... | 99½ | 98⅞ |
| Laurentide | 6 | 5.82 | 106 | 102 | 106 | 104 | 6290 | 110¾ | 90 |
| Price Bros., com. | 2 | 3.07 | 70¼ | 65 | 68⅝ | 68⅞ | 410 | 75½ | 51¼ |
| Do. pref. | 6½ | 6.25 | 104½ | 103 | 104 | 104 | 280 | 104¾ | 100 |
| Smith, Howard, com. | . | ... | 70 | 69 | 69 | 71 | 60 | 75 | 59 |
| Do. pref. | 8 | 6.95 | 115 | 114¾ | 115 | 114¾ | 10 | 116 | 103½ |
| Span. River, com. | 7 | 5.38 | 130 | 120½ | 128¼ | 125¼ | 20672 | 130 | 97¼ |
| Do. pref. | 7 | 4.89 | 143 | 132 | 140 | 134½ | 2527 | 145 | 110¼ |
| Wayagamack (no par) | $3 | 3.33 | 95 | 88 | 94½ | 92½ | 3970 | 97 | 46½ |
| **Steel and Steel Industries—** | | | | | | | | | |
| B.E. Steel, com. | . | ... | 1 | 1 | 1 | 1 | 1000 | 1⅜ | ½ |
| Do. 1st pref. | . | ... | 18 | 16 | 18 | 18 | 125 | 29¼ | 10 |
| Do. 2nd pref. | . | ... | 2 | 1½ | 1¾ | 1¼ | 410 | 4 | 1 |
| Can. Car & Found., com. | . | ... | 45½ | 42 | 45½ | 43 | 860 | 50¼ | 35 |
| Do. pref. | 7 | 7.77 | 91 | 89½ | 89½ | 90 | 610 | 94½ | 85½ |
| Can. Fairbanks, pref. | 6+3x | 5.88 | .. | .. | ... | ... | ... | 102 | 80 |
| Can. Forgings, com. | . | ... | .. | .. | ... | ... | ... | 27 | 18 |
| Do. pref. | 1½x | ... | .. | .. | ... | ... | ... | 87½ | 66 |
| C.G.E., com. (par $50) | . | ... | .. | .. | ... | ... | ... | 60 | 49 |
| Do. pref. (par $50) | 7 | 5.93 | 59 | 59 | 59 | 59½ | 66 | 61 | 55 |
| Canada Iron, com. | . | ... | .. | .. | ... | ... | ... | 15 | 12 |
| Do. pref. | 4 | ... | .. | .. | ... | ... | ... | 60 | 42 |
| Can. Locomotive, com. | . | ... | .. | .. | ... | ... | ... | 48 | 25 |
| Do. pref. | 7 | 9.27 | 75½ | 75 | 75 | 71 | 83 | 89 | 71 |
| Dominion Bridge | 4+4 | 2.85 | 291¼ | 277 | 288 | 288 | 4803 | 291¼ | 116¾ |
| Dominion Coal | . | ... | 74 | 74 | 74 | 74 | 140 | 85 | 69 |
| Dom. Iron pref. | . | ... | .. | .. | ... | ... | ... | 5 | 1½ |
| Dom. Steel Corp., pref. | . | ... | .. | .. | ... | ... | ... | 83½ | 20 |
| Ford Motor | 15 | ... | .. | .. | ... | ... | ... | 475 | 436 |
| Gould Pumps, pref. | 7 | 7.00 | .. | .. | ... | ... | ... | 100 | 100 |
| Kelvinator, com. (no par) | . | ... | 5 | 5 | 5 | 5 | 115 | 15 | 5 |
| Do. pref. | 7 | 9.21 | .. | .. | ... | ... | ... | 95 | 65 |
| Massey-Harris, c. (no par) | . | ... | 37¾ | 34¾ | 35½ | 37½ | 13977 | 42¾ | 29 |
| Do. pref. | 7 | 6.46 | 108½ | 108¼ | 108¼ | 108½ | 289 | 109¾ | 103½ |
| McKin. Ind., c. (no par) | . | ... | 25 | 24¼ | 24½ | 24¾ | 337 | 25½ | 15 |
| Do. pref. | 7 | 7.19 | .. | .. | ... | ... | ... | 97¼ | 93¼ |
| Do. Vot. Trust | . | ... | 25 | 24¼ | 24¼ | 25 | 770 | 26¾ | 15 |
| Ontario Steel, com. | 6 | 5.35 | .. | .. | ... | ... | ... | 112 | 73 |
| Do. pref. | 7 | 6.25 | .. | .. | ... | ... | ... | 115 | 100 |
| Page Hersey, c. (no par) | $3 | 3.59 | 89 | 82 | 82½ | 83¾ | 7158 | 90 | 55½ |
| Do. pref. | 7 | 4.20 | 175 | 161 | 166 | 166 | 213 | 180 | 116 |
| Pressed Metals, com. | 3 | 5.66 | 55 | 51⅞ | 51⅞ | 56 | 260 | 64 | 34¼ |
| Do. pref. | 7 | 7.21 | .. | .. | ... | ... | ... | 97 | 85 |
| Russell Motor, com. | 3 | 5.55 | .. | .. | ... | ... | ... | 60 | 52 |
| Do. pref. | 7 | 7.36 | .. | .. | ... | ... | ... | 99 | 90⅛ |
| Steel of Canada, com. | 7 | 4.32 | 170½ | 159 | 161 | 175½ | 1405 | 222 | 117 |
| Do. pref. | 7 | 4.37 | 165 | 160 | 162 | 170 | 598 | 205 | 127 |
| **Milling and Foodstuffs—** | | | | | | | | | |
| Alta. Pac. Gr., c. (no par) | . | ... | 44¾ | 40¾ | 43 | 43 | 3025 | 54½ | 19½ |
| Do. pref. | 7 | 7.44 | 95 | 93 | 94 | 95 | 325 | 97 | 85 |
| Arnolds, c. (no par) | . | ... | 17¼ | 16¼ | 16½ | 16⅝ | 1027 | 26 | 10½ |
| Do. pref. | . | ... | .. | ... | ... | ... | ... | 95 | 81 |
| Atlantic Sug., c. (no par) | . | ... | 26 | 24½ | 24½ | 25¼ | 855 | 32 | 21¾ |
| Do. pref. | . | ... | 94 | 93 | 93 | 89½ | 15 | 101¼ | 89½ |
| B.C. Fishing, c. (no par) | $1.25 | 9.00 | 15½ | 13 | 14⅞ | 15½ | 1455 | 22 | 12¼ |
| Do. pref. | 7 | 9.27 | 75½ | 74½ | 75 | 75 | 382 | 90 | 72⅝ |
| Can. Bak., c. (no par) | . | ... | 40 | 38 | 38 | 38 | 90 | 42⅛ | 26 |
| Do. pref. | 7 | 6.73 | .. | ... | ... | ... | ... | 104 | 97 |
| Can. Bread, c. (no par) | $6 | 3.63 | 168 | 164 | 165 | 170 | 46 | 172 | 90 |
| Do. pref. (A) | 7 | 5.88 | 119 | 119 | 119 | 120 | 12 | 125 | 108½ |
| Do. pref. (B) | 7 | 6.36 | 110½ | 110 | 110½ | 111 | 147 | 115 | 103 |
| Can. Canners, com. | . | ... | 67⅛ | 66 | 67 | 65 | 181 | 70 | 21 |
| Do. pref. | 5 | 4.90 | 102½ | 101 | 102⅛ | 102½ | 689 | 105 | 76 |
| Canadian Salt | 8 | 5.71 | .. | ... | ... | ... | ... | 140 | 123 |
| Christie Br., c. (no par) | $1.20 | 1.74 | 72½ | 67 | 68 | 67¼ | 1150 | 72½ | 38 |
| City Dairy, c. (par $25) | 3+1 | 2.00 | 201 | 188 | 199 | 188 | 1597 | 201 | 79 |
| Do. pref. | 7 | 5.60 | 125¼ | 125 | 125¼ | 125 | 20 | 125¼ | 112 |
| Cuban Can. Sugar, c. | . | ... | 5 | 3 | 3½ | 3½ | 1102 | 5 | 1¼ |
| Do. pref. | . | ... | .. | ... | ... | ... | ... | 37 | 26 |
| Wm. Davies (A) (no par) | . | ... | .. | ... | ... | ... | ... | 45 | 25 |
| Do. (B) (no par) | . | ... | 20 | 20 | 20 | 20 | 6 | 20 | 9 |
| Dominion Stores (no par) | $2.40 | 2.60 | 94 | 91½ | 92 | 93¼ | 1099 | 99¾ | 65 |
| Ham. Dairies, c. (no par) | . | ... | 50 | 48 | 49 | 51 | 210 | 55 | 24 |
| Do. pref. | 7 | 7.14 | 98 | 97 | 98 | 97 | 90 | 99 | 95¼ |
| Inter. Milling, pref. | 7 | 6.43 | 109 | 108¾ | 108¾ | 108⅝ | 53 | 109 | 104 |
| Lake of Woods, c. | 12 | 7.27 | 165 | 145 | 165 | 167 | 715 | 176½ | 130 |
| Do. pref. | 7 | 6.03 | 116 | 116 | 116 | 116 | 10 | 118 | 110 |
| Loblaw, com. (no par) | $1 | 1.26 | 83½ | 79 | 79 | 83½ | 512 | 85 | 48 |
| Do. pref. | 7 | 5.73 | 122 | 122 | 122 | 122 | 83 | 124 | 107 |
| Maple Leaf Mill., c. | . | ... | 110½ | 95 | 97 | 100 | 1054 | 110½ | 49 |
| Do. pref. | 7 | 6.86 | 102 | 100 | 102 | 100 | 162 | 102 | 94 |
| National Grocers, pref. | 8 | 7.92 | 101 | 100½ | 101 | ... | 21 | 101 | 100½ |
| Ogilvie Fl., c. (no par) | $5+10 | 4.05 | 370 | 360 | 360 | 870 | 26 | 372 | 205 |
| Do. pref. | 7 | 5.51 | 127 | 127 | 127 | 126 | 10 | 127 | 120¼ |
| Pure Gold Mfg. (no par) | $1.50 | 7.14 | 22 | 21½ | 21¾ | 21½ | 110 | 22 | 19⅛ |
| Shred. W., c. (no par) | $3 | 4.47 | 68¾ | 65½ | 66½ | 68¾ | 286 | 71¼ | 55 |
| St. Law. Flour, c. | . | ... | 29 | 29 | 29 | 29 | 40 | 81½ | 25 |
| Do. pref. | 7 | 8.23 | 85 | 85 | 85 | 79½ | 10 | 85 | 79½ |
| Viau Biscuits, c. (no par) | . | ... | .. | ... | ... | ... | ... | 26 | 16 |
| Do. pref. | 7 | 8.14 | .. | ... | ... | ... | ... | 92½ | 83½ |
| W. Can. Fl., c. (no par) | $1.40 | 4.51 | 31 | 29⅞ | 30⅛ | 30 | 715 | 31 | 22 |
| Do. pref. | 6½ | 6.26 | 103¾ | 103½ | 103½ | 103⅛ | 53 | 106 | 100 |
| W. Groc., c. (no par) | $1 | 5.55 | 18½ | 18 | 18 | 17½ | 179 | 29 | 13 |
| Do. pref. | 7 | 9.27 | 75½ | 75 | 75½ | 76 | 68 | 84 | 74¼ |
| **Utilities—** | | | | | | | | | |
| Bell Telephone | 8 | 5.33 | 151 | 148 | 150 | 150½ | 482 | 158½ | 137 |
| Do. Rts. | . | ... | 9 | 8⅛ | 8½ | 8⅞ | 4344 | 10 | 8 |
| Calgary Power | . | ... | 50½ | 50½ | 50½ | 50 | 50 | 50½ | 50 |
| Consumers Gas | 10 | 5.29 | 191 | 189 | 189 | 191 | 34 | 194 | 171½ |
| East Koot. Pr. (no par) | . | ... | 25¼ | 25¼ | 25¼ | 25 | 6 | 29¼ | 25 |
| Do. pref. | 7 | 7.21 | .. | ... | ... | ... | ... | 98½ | 95 |
| Inter. Util. (A) (no par) | $3.50 | 7.44 | 48½ | 43¼ | 45⅞ | 43¼ | 9850 | 48½ | 28 |
| Do. (B) (no par) | . | ... | 10 | 7½ | 9¼ | 7½ | 13113 | 10 | 4½ |
| Jamaica Pub. Ser., pref. | 7 | 6.73 | 103⅞ | 103½ | 103½ | 104 | 30 | 105 | 97 |
| Laurentide Power | 5 | 3.84 | 135 | 130 | 130 | 134 | 60 | 144 | 105 |
| Mackay, com. | 7 | 5.98 | 117 | 114½ | 115 | 116 | 207 | 132½ | 108 |
| Do. pref. | 4 | 5.71 | 70 | 69½ | 69½ | 70 | 73 | 74 | 67 |
| Mexican Light, c. | . | ... | .. | ... | ... | ... | ... | 52 | 27 |
| Do. pref. | 8½ | ... | 75 | 75 | 75 | 76 | 55 | 120 | 67 |
| Mont. L. H. & P. (no par) | $2 | 2.23 | 91⅞ | 88¼ | 89 | 92 | 8289 | 96¾ | 68⅛ |
| Montreal Teleg. (par $40) | 8 | 6.23 | 51 | 51 | 51 | 51¼ | 2 | 52 | 49 |
| Nor. Mexico Pr., c. | 4 | 5.55 | 72½ | 72 | 72 | 72 | 95 | 83 | 42 |
| Do. pref. | 7 | 7.60 | .. | ... | ... | ... | ... | 96½ | 82½ |
| Ot. & Hull Pr., c. (no par) | . | ... | .. | ... | ... | ... | ... | 35 | 26 |
| Do. pref. | 7 | 7.10 | .. | ... | ... | ... | ... | 100 | 96 |
| Ott. L. H. & Pr., c. | 6 | 4.28 | 140 | 135 | 140 | 135 | 119 | 140 | 98½ |
| Do. pref. | 6½ | 6.28 | 105 | 103 | 105 | 104 | 45 | 107½ | 102 |
| Quebec Power, c. | . | ... | 78½ | 76 | 78½ | 78 | 4854 | 80 | 72 |
| Shawinigan (no par) | $2 | 2.35 | 87½ | 83¼ | 85 | 86½ | 6577 | 94¾ | 67 |
| Do. Rts. | . | ... | 3¼ | 2¾ | 3⅛ | 3⅛ | 22458 | 4 | 2¾ |
| S. Can. Pr., c. (no par) | $3 | 2.22 | 135 | 125 | 135 | 127 | 829 | 140 | 85 |
| Do. pref. | 6 | 5.68 | 108 | 105½ | 105½ | 110 | 60 | 113 | 99½ |
| **Transportation—** | | | | | | | | | |
| Can. Pacific Rly. | 10 | 5.33 | 191 | 187½ | 189 | 195 | 34 | 201 | 166 |
| Can. Steam., c. (no par) | . | ... | 37½ | 35 | 35½ | 37½ | 1080 | 42 | 34 |
| Do. pref. | 6 | 6.38 | 95 | 92 | 94 | 95 | 1180 | 96½ | 82½ |
| Do. voting | . | ... | .. | ... | ... | ... | ... | 37½ | 31 |
| **Tractions—** | | | | | | | | | |
| Barcelona (par $50) | 1 | ... | ... | ... | ... | ... | ... | 68⅛ | 33½ |
| Brazilian, c. | 6 | 3.11 | 204¼ | 188½ | 196⅛ | 204¾ | 95515 | 210 | 102½ |
| Do. pref. | 6 | 3.77 | 170 | 158 | 159 | 174 | 412 | 174 | 104 |
| Detroit Un. Rly. | . | ... | 2 | 1½ | 1½ | 2 | 30 | 5 | 1½ |
| Duluth-Superior | $2 | 8.88 | 23 | 22½ | 22½ | 23 | 60 | 30⅞ | 22½ |
| Minneapolis S.S. | . | ... | .. | ... | ... | ... | ... | 43½ | 42⅛ |
| Mexican Trams. | . | ... | .. | ... | ... | ... | ... | 21 | 19¼ |
| Montreal Trams. | 10 | 5.31 | 189 | 188 | 188 | 189 | 20 | 200 | 169 |
| Ottawa Traction | 4 | 6.15 | 65 | 65 | 65 | 65 | 5 | 70 | 64 |
| Porto Rico Rlys., c. | $3 | ... | .. | ... | ... | ... | ... | 70⅞ | 59 |
| Do. pref. | 7 | 7.17 | 99 | 97½ | 97½ | 98¾ | 25 | 100 | 90 |
| Twin City, c. | 4 | 7.92 | 51½ | 49 | 49 | 49¾ | 855 | 66 | 48⅜ |
| Do. pref. | 7 | 6.86 | .. | ... | ... | ... | ... | 103 | 100 |
| Winnipeg Elec., c. | 2 | 2.43 | 85 | 80 | 80 | 86 | 1821 | 94¼ | 60¾ |
| Do. pref. | 7 | 6.54 | 109 | 107 | 107 | 108¾ | 202 | 109 | 100¾ |
| Do. Rts. | . | ... | 8¼ | 6⅞ | 7 | 8¼ | 2475 | 9 | 6⅞ |
| **Textiles—** | | | | | | | | | |
| Can. Conn. Cotton, pref. | 4 | 5.97 | 68 | 65 | 67 | 55 | 410 | 68 | 36 |
| Can. Converters | 7 | 7.00 | 100 | 100 | 100 | 101 | 55 | 107½ | 92 |
| Can. Cotton, com. | 8 | 6.20 | 129 | 129 | 129 | 127 | 28 | 132 | 115 |
| Do. pref. | 6 | 5.88 | 102 | 102 | 102 | 102½ | 2 | 102½ | 95 |
| Can. Woollens, com. | . | ... | .. | ... | ... | ... | ... | 10 | 5 |
| Do. pref. | . | ... | 60 | 60 | 60 | 61 | 64 | 63½ | 59¾ |
| Cosmos Imp., c. (no par) | . | ... | 29½ | 28 | 28⅛ | 29½ | 1114 | 31½ | 13 |
| Do. pref. | 7 | 6.79 | 103 | 101 | 102 | 102½ | 65 | 103 | 91¼ |
| Dom. Textile, c. (no par) | $5 | 3.93 | 130 | 125 | 130 | 130 | 1820 | 135⅞ | 105 |
| Do. pref. | 7 | 5.60 | .. | ... | ... | ... | ... | 125 | 115¾ |
| Monarch Knit, c. | . | ... | .. | ... | ... | ... | ... | 7½ | 7½ |
| Do. pref. | . | ... | .. | ... | ... | ... | ... | 54 | 49 |
| Montreal Cottons, c. | 6 | 5.21 | 115 | 115 | 115 | 115 | 6 | 117 | 110 |
| Do. pref. | 7 | 5.78 | 121 | 121 | 121 | 120½ | 7 | 121 | 114 |
| Penmans, c. (no par) | $4 | 4.44 | 94 | 90 | 90 | 98 | 210 | 108 | 70 |
| Do. pref. | 6 | 5.76 | 104 | 104 | 104 | 104 | 10 | 105 | 101 |
| Wabasso Cotton (no par) | 6 | 4.70 | .. | ... | ... | ... | ... | 137 | 84 |
| **General Industrials—** | | | | | | | | | |
| Amer. Sales, c. (par $20) | 4 | 5.92 | 67½ | 66 | 66 | 67½ | 136 | 75 | 60 |
| Do. pref. | 7 | 6.69 | 105 | 104½ | 104⅛ | 105 | 110 | 105 | 97½ |
| Asbestos Co., c. (no par) | . | ... | 39 | 36 | 36½ | 39¼ | 5580 | 39¾ | 20 |
| Do. pref. | 7 | 7.44 | 96½ | 94 | 94 | 95⅞ | 1050 | 102¼ | 82¾ |
| Brant Cd., pf. (par $25) | 8 | 10.00 | 21 | 20 | 20 | 21 | 104 | 25 | 20 |
| Brew. & Distill. (par $5) | 5 | 6.25 | 16 | 15½ | 16 | 15½ | 1210 | 16 | 4½ |
| Buildings Products, pref. | 7 | 6.79 | 103½ | 103 | 103½ | 100¼ | 65 | 103½ | 93½ |
| Burt, F. N., c. (par $25) | $3 | 4.58 | 67 | 65½ | 65½ | 66½ | 585 | 68 | 56½ |
| Canada Cement, c. | 6 | 2.42 | 247 | 246 | 247 | 246½ | 85 | 247 | 124½ |
| Do. pref. | 7 | 5.65 | 124 | 122½ | 122½ | 122 | 25 | 124½ | 116 |
| C. Ind. Alc. (no par) | $1.28 | 3.55 | 37¼ | 36 | 37 | 37¼ | 8917 | 40 | 21¼ |
| Do. Rts. | . | ... | 15 | 12 | 13 | 13 | 29846 | 30 | 12 |
| Can. Oil, c. (no par) | $1 | 3.03 | 35 | 32 | 33¾ | 31¼ | 2192 | 35 | 21 |
| Do. pref. | 8 | 6.65 | 120¼ | 118¾ | 120 | 118½ | 399 | 121 | 115½ |
| Can. Bronze, c. (no par) | . | ... | 57½ | 56 | 57½ | 58 | 1635 | 59 | 43 |
| Do. pref. | 7 | 6.66 | 106 | 104¼ | 105 | 105 | 255 | 106⅛ | 98½ |
| Cons. Smelters (par $25) | 10+5 | 1.01 | 256 | 241 | 247½ | 256½ | 6875 | 270 | 215 |
| Conduits, com. | . | ... | 23 | 23 | 23 | ... | 50 | 23 | 23 |
| Do. pref. | . | ... | 92 | 92 | 92 | ... | 50 | 92 | 92 |
| Crow's Nest Coal | 6 | 10.90 | .. | ... | ... | ... | ... | 71¼ | 50 |
| Dom. Glass, c. | 7 | 5.51 | 128½ | 125 | 127 | 129½ | 495 | 134¾ | 104 |
| Do. pref. | 7 | 5.83 | 125 | 125 | 125 | 120 | 5 | 125 | 111¼ |
| Dom. Rubber, pref. | 7 | ... | .. | ... | ... | ... | ... | 75 | 75 |
| E. Theat., c. (par $25) | . | ... | 28½ | 27 | 28 | 29 | 320 | 30 | 24 |
| Do. pref. | 7 | 7.86 | 96 | 96 | 96 | 95 | 50 | 97 | 92 |
| Famous Players, com. | . | ... | 49½ | 48 | 48 | 51 | 209 | 51½ | 20 |
| Do. pref. | 8 | 8.00 | 100 | 99 | 100 | 100 | 685 | 101 | 93½ |
| Gilman, com. | 6 | 5.46 | .. | ... | ... | ... | ... | 112 | 109⅞ |
| Do. pref. | 7 | 6.19 | 113¼ | 113¼ | 113¼ | 116 | 10 | 125 | 110 |
| Goodyear Tire, com. | $5 | 4.31 | 121¼ | 112 | 115 | 112 | 1000 | 121¼ | 85¼ |
| Do. pref. | 7 | 6.76 | 105 | 103 | 104 | 103¾ | 633 | 109 | 94½ |
| Hayes Wheel, c. (no par) | . | ... | 32 | 32 | 32 | 32 | 35 | 34¾ | 27¾ |
| Do. pref. | 7 | 7.29 | 96 | 96 | 96 | 96 | 16 | 98 | 91 |
| Holt, Renfrew, c. | . | ... | .. | ... | ... | ... | ... | 45 | 43 |
| Do. pref. | 7 | 7.60 | .. | ... | ... | ... | ... | 92 | 85 |
| Hunt's Ltd., a. (no par) | . | ... | 32 | 31 | 31½ | 29 | 180 | 32 | 20 |
| Do. pref. | 7 | 7.44 | .. | ... | ... | ... | ... | 95 | 90 |
| Inter. Nick., c. (par $25) | $2 | 3.07 | 69 | 63¼ | 65⅛ | 68⅛ | 59020 | 75 | 38 |
| King Edward Hotel | $2 | 3.39 | 60 | 57 | 58 | 57 | 990 | 60 | 20 |
| Lake Ont. Brew. (no par) | $2 | 10.00 | 23 | 18 | 20 | 22 | 1597 | 31½ | 18 |
| L. Secord, c. (no par) | . | ... | 44 | 42 | 42⅛ | 42½ | 105 | 47½ | 26 |
| Do. pref. | 7 | 5.34 | 131 | 130 | 131 | 131 | 25 | 140 | 102 |
| Lyall Construction | . | ... | 58 | 43 | 52 | 46 | 1010 | 58 | 32 |
| Loew's, com. | . | ... | 40 | 40 | 40 | 42½ | 2 | 47 | 38 |
| Do. pref. | 7 | 6.93 | .. | ... | ... | ... | ... | 105 | 96½ |
| Muirhead's, c. (no par) | 50c | 4.34 | .. | ... | ... | ... | ... | 13¼ | 8⅞ |
| Do. pref. (par $10) | 75c | 5.77 | .. | ... | ... | ... | ... | 13½ | 10⅞ |
| Nat. Brew., c. (no par) | 4 | 4.46 | 92 | 87 | 91½ | 90 | 8980 | 95 | 65 |
| Do. pref. | 7 | 6.10 | 115 | 114¾ | 115 | 114 | 25 | 115 | 105 |
| National Brick, com. | . | ... | .. | ... | ... | ... | ... | 10 | 4 |
| Do. pref. | 6 | 10.00 | 60 | 60 | 60 | 58 | 25 | 81 | 56 |
| Pacific Burt, com. | 6 | 6.78 | .. | ... | ... | ... | ... | 103½ | 87 |
| Do. pref. | 7 | 6.14 | 114 | 114 | 114 | 114 | 60 | 114 | 102 |
| Port Hope San., com. | 4 | 2.16 | .. | ... | ... | ... | ... | 185 | 125 |
| Do. pref. | 7 | 6.34 | 110¼ | 110¼ | 110¼ | 111 | 5 | 111 | 109 |
| Rogers, Wm., com. | . | ... | 70 | 70 | 70 | 70 | 101 | 80 | 64 |
| Do. pref. | 7 | 6.93 | 101 | 100 | 101 | 100 | 13 | 102 | 92 |
| Seagram (no par) | . | ... | 21½ | 18¾ | 19½ | 21 | 6910 | 28⅞ | 15 |
| Sher-Williams, com. | 6 | 3.33 | 180 | 172 | 175 | 185 | 70 | 207 | 142 |
| Do. pref. | 7 | 5.80 | 120½ | 120½ | 120½ | 120¼ | 5 | 121 | 117 |
| Standard Chem., pref. | . | ... | .. | ... | ... | ... | ... | 20 | 15 |
| Stanfords, a. (no par) | . | ... | 26 | 24 | 24 | 26¼ | 326 | 26½ | 19 |
| Do. pref. | 7 | 7.77 | 92 | 90 | 90 | 90 | 120 | 92 | 88½ |
| Sterling Coal | . | ... | 22 | 22 | 22 | 22 | 50 | 36 | 22 |
| St. Maur. V., c. (no par) | . | ... | 59½ | 56½ | 56½ | 59 | 747 | 60 | 47 |
| Do. pref. | 7 | 7.03 | 99½ | 99 | 99 | 99 | 60 | 99½ | 94½ |
| Tooke Bros., com. | . | ... | 6 | 6 | 6 | 12 | 20 | 16 | 5 |
| Do. pref. | 7 | 10.00 | .. | ... | ... | ... | ... | 72½ | 65 |
| Tuckett Tobacco, com. | 4 | 4.21 | 95 | 93 | 93 | 95 | 40 | 95 | 69 |
| Do. pref. | 7 | 6.23 | 112¼ | 112¼ | 112¼ | 114 | 5 | 114¼ | 103¾ |
| Woods Mfg., com. | . | ... | .. | ... | ... | ... | ... | 46 | 39 |
| Do. pref. | 7 | 9.33 | .. | ... | ... | ... | ... | 89 | 75 |
| Zimmerknit, c. (no par) | . | ... | 28¼ | 24½ | 28 | 27½ | 1000 | 28½ | 18 |
| Do. pref. | 7 | 7.77 | 93 | 90 | 92 | 90 | 267 | 98 | 89½ |
| **Trust and Loan—** | | | | | | | | | |
| Can. Landed (par $50) | 10+1 | 4.74 | 116 | 116 | 116 | 116 | 31 | 119 | 94 |
| Can. Permanent | 12 | 5.33 | 228½ | 225 | 228 | 227½ | 40 | 235 | 216⅛ |
| Colonial Invest. (par $10) | 6 | ... | 5½ | 5½ | 5½ | 5⅛ | 39 | 7 | 5 |
| Econ. Invest. (par $50) | 4 | 3.39 | 60 | 59 | 60 | 59 | 117 | 60 | 53 |
| Huron & Erie | 7+½ | 5.03 | .. | ... | ... | ... | ... | 152⅛ | 139 |
| Landed Banking | 10 | 5.81 | .. | ... | ... | ... | ... | 172 | 161 |
| Mont. Loan (par $50) | 12+1 | 6.91 | .. | ... | ... | ... | ... | 52¾ | 47 |
| National Trust | 12 | 4.78 | .. | ... | ... | ... | ... | 255 | 232 |
| Ont. Loan (par $50) | 12 | 5.00 | .. | ... | ... | ... | ... | 120 | 111 |
| Real Estate Loan | 7 | 6.86 | .. | ... | ... | ... | ... | 105 | 100 |
| Toronto Gen. Trusts | 12 | 4.80 | 250 | 250 | 250 | 253 | 8 | 253 | 220 |
| Toronto Mtge. (par $50) | 10+1 | 5.00 | .. | ... | ... | ... | ... | 110 | 100 |
| Union Trust | 7 | 6.16 | .. | ... | ... | ... | ... | 113½ | 104 |

### CURB AND UNLISTED MARKETS

| | Div. Rate | Yield Oct. 24 | High for wk. | Low for wk. | Close Oct. 25 | Close Oct. 18 | Sales for wk. | Range, 1927 High | Range, 1927 Low |
|---|---|---|---|---|---|---|---|---|---|
| Anticosti, pref. | 7 | ... | ... | ... | ... | ... | ... | 98⅜ | 98 |
| Attendu Engine (par $1) | . | ... | 12½ | 11 | 11 | 12½ | 1180 | 35½ | 11 |
| B.C. Oilfields (par $5) | . | ... | .. | ... | ... | ... | ... | 2⅜ | 2 |
| Beacon Oil | . | ... | 14½ | 14 | 14½ | 13 | 585 | 20¾ | 13 |
| Belding, com. | 6 | 8.00 | .. | ... | ... | ... | ... | 88 | 67 |
| Do. pref. | 7 | 7.21 | .. | ... | ... | ... | ... | 100 | 96¾ |
| Brading Brew. (no par) | $2 | 8.33 | 24 | 24 | 24 | 25 | ... | 35½ | 20 |
| Brit. Am. Oil (no par) | 80c | 2.42 | 33¼ | 32 | 32½ | 33 | 10 | 34½ | 20 |
| Can. Brewing (no par) | . | ... | 30 | 28 | 28⅝ | 29½ | 16739 | 31½ | 22¼ |
| Can. Celanese (no par) | . | ... | 70 | 68 | 68 | 69 | 2210 | 85½ | 52¾ |
| Do. pref. | . | ... | .. | ... | ... | ... | 300 | 94 | 88 |
| Can. Light & Power | . | ... | 45 | 44 | 44 | 44 | ... | 55 | 20 |
| Can. Malting (no par) | . | ... | 33 | 31⅝ | 32 | 33 | 68 | 34½ | 27¾ |
| Can. Nor. Pr., c. (no par) | . | ... | .. | ... | ... | ... | 4660 | 65 | 42 |
| Do. pref. | 7 | 7.00 | 100 | 100 | 100 | 99 | ... | 100¼ | 97 |
| Carling Brew. (no par) | $2 | 8.00 | 26 | 25 | 25½ | 26 | 207 | 34½ | 25 |
| Cockshutt, pref. | 4 | 4.93 | 81⅜ | 80 | 81½ | 81 | 1953 | 88¼ | 67 |
| Continental Oil | $1 | 5.00 | 18¼ | 18 | 18 | 19 | 362 | 22¼ | 16½ |
| Cosgrave Brew. (par $10) | 5 | 5.26 | 10 | 9½ | 9½ | 10 | 53 | 12 | 6 |
| Cooksville Shale Brick, c. | . | ... | 14 | 14 | 14 | 13 | 1245 | 14 | 10¾ |
| Do. pref. | 4 | 7.27 | .. | ... | ... | ... | 20 | 55 | 50½ |
| Com. Alcohol (no par) | $1 | 4.16 | 24 | 22 | 22½ | 23½ | ... | 70 | 15 |
| Do. pref. | 8 | 7.76 | .. | ... | ... | ... | 740 | 110 | 103 |
| Cuneo Press | . | ... | .. | ... | ... | ... | ... | 58⅞ | 58 |
| Dom. Engineering (new) | . | ... | .. | ... | ... | ... | ... | 50½ | 47 |
| Dom. Power, pref. | 7 | 6.86 | 49 | 47 | 47 | 49 | 70 | 102 | 100 |
| Dryden Power (no par) | . | ... | .. | ... | ... | ... | ... | 23¼ | 9½ |
| E. Dairies, c. (no par) | . | ... | 23¼ | 20 | 23 | 22½ | 4727 | 57 | 20½ |
| Do. pref. | 7 | 7.07 | 57 | 51 | 53 | 50½ | 6333 | 99 | 94 |
| Eng. Elec., c. (no par) | . | ... | .. | ... | ... | ... | ... | 18½ | 15 |
| Do. pref. | . | ... | 75 | 74½ | 75 | 74 | ... | 95 | 72½ |
| Foothills Oil | . | ... | 2.70 | 2.70 | 2.70 | 2.70 | 20 | 3.25 | 2.00 |
| Good. & Worts (no par) | $1 | 1.75 | 59 | 57 | 57½ | 57¾ | 800 | 64 | 43¼ |
| Chas. Gurd & Co., com. | $2 | 5.26 | 38¾ | 38 | 38 | 38 | 5855 | 43 | 28⅞ |
| Do. pref. | 7 | 7.29 | 96 | 96 | 96 | 97 | 496 | 97 | 93 |
| Hiram Walker (no par) | $2 | 3.27 | 61 | 57½ | 59½ | 57⅞ | 15 | 61 | 28½ |
| Illinois Power, pref. | 7 | 7.00 | .. | ... | ... | ... | 23450 | 101 | 98 |
| Imperial Oil (no par) | $1.50 | 2.54 | 60½ | 58 | 59 | 59½ | ... | 64½ | 87¾ |
| Imp. Tob., c. (par $5) | 6 | 3.33 | 9⅛ | 8¾ | 8⅞ | 9 | 11654 | 10 | 6¾ |
| Inter. Petrol. (no par) | 75c | 2.42 | 31¾ | 30¾ | 31½ | 31¼ | 18260 | 35¼ | 28 |
| Inter. Power, com. | . | ... | 35½ | 33 | 33½ | 33½ | 2957 | 36½ | 14½ |
| Do., pref. | 7 | 7.65 | 93 | 91½ | 91½ | 91½ | 833 | 93 | 85 |
| Loew's London, com. | 25+5c | ... | 5¼ | 5¼ | 5¼ | 4¼ | 117 | 5⅞ | 4¼ |
| Manitoba Power (no par) | . | ... | 87 | 81 | 85 | 87½ | 33 | 87½ | 50 |
| McColl, com. (no par) | 80c | 1.66 | 49¾ | 46¾ | 48 | 47 | 894 | 50 | 22½ |
| Mitchell, J. S. | . | ... | .. | ... | ... | ... | 1855 | 32 | 28 |
| Mount Royal, com. | . | ... | .. | ... | ... | ... | ... | 6 | 3 |
| Do. pref. | 6 | ... | .. | ... | ... | ... | ... | 55⅞ | 40 |
| Nat. Distilleries | . | ... | 21½ | 19¾ | 21¼ | 21¼ | 4035 | 24 | 19¾ |
| North. Bak. (no par) | . | ... | 42½ | 40 | 40½ | 41 | 6637 | 44 | 25 |
| N. Star Oil, c. (par $5) | . | ... | .. | ... | ... | ... | ... | 2.55 | 1.15 |
| Do. pref. (par $5) | 7 | ... | .. | ... | ... | ... | ... | 5.01 | 4.90 |
| N.S. Car, com. (no par) | . | ... | 31 | 31 | 31 | 30 | 25 | 31 | 18¼ |
| Ott. Mtl. Pr., c. (no par) | . | ... | .. | ... | ... | ... | ... | 25 | 19 |
| Do. pref. (par $50) | 7 | 6.54 | 53⅜ | 51½ | 53⅜ | 51½ | 85 | 53⅜ | 47 |
| Ott. Riv. Pr. (no par) | . | ... | .. | ... | ... | ... | ... | 26 | 23 |
| Paton Mfg., c. (no par) | . | ... | .. | ... | ... | ... | ... | 60 | 25 |
| Do. pref. | . | ... | .. | ... | ... | ... | ... | 100 | 95 |
| Perfection Glass | . | ... | .. | ... | ... | ... | ... | 8 | 6 |
| Port Alfred, com. | . | ... | .. | ... | ... | ... | ... | 68 | 55 |
| Do. pref. | 7 | 7.07 | 68 | 67 | 68 | 67 | 216 | 100 | 95 |
| Power Corp., c. (no par) | . | ... | .. | ... | ... | ... | ... | 71¾ | 27¼ |
| Do. pref. | 6 | 6.06 | 68¾ | 64 | 67½ | 68 | 17173 | 100 | 94 |
| St. Maur. Power | 4 | 2.59 | 100 | 99 | 99 | 98¾ | 121 | 170 | 96 |
| Simpson, Robt., pref. | 6 | 5.94 | 157 | 154 | 157 | 159⅞ | 150 | 102 | 100 |
| Sovereign Secs. (par $5) | . | ... | .. | ... | ... | ... | ... | 2.00 | 1.50 |
| St. Law. Pap., c. (no par) | . | ... | .. | ... | ... | ... | ... | 99 | 85 |
| Do. pref. | 8 | 7.14 | 99 | 75 | 96 | 79 | 5317 | 112 | 104 |
| Standard Clay | . | ... | 112 | 112 | 112 | 110 | 10 | 40 | 38 |
| Supertest Pet., c. | 50+50c | 2.62 | .. | ... | ... | ... | ... | 40 | 35 |
| Do. pref. | 7 | 7.36 | 39 | 37 | 37 | 38½ | 175 | 97½ | 95 |
| Toronto Brew. (no par) | . | ... | .. | ... | ... | ... | ... | 18⅜ | 9½ |
| United Secs., com. | . | ... | .. | ... | ... | ... | ... | 70½ | 43½ |
| Do. pref. | 6 | 5.60 | 63 | 63 | 63 | 65 | 25 | 107 | 103¼ |
| Volcanic Oil | $1.40 | 5.40 | 107 | 106 | 106 | 107 | 76 | 47¼ | 23 |
| Venezuelan Pete. (par $5) | . | ... | .. | ... | ... | ... | ... | 7½ | 6 |
| Wallace Sand | . | ... | .. | ... | ... | ... | ... | 3 | 2⅛ |
| Wolthausen (no par) | . | ... | .. | ... | ... | ... | ... | 25 | 20 |

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# Pulp & Paper

## Abitibi-Spanish Merger Sure to Reduce Costs

### Savings Will Come in Operating and Future Financing

### TREMENDOUS ASSETS

### Abitibi to be Largest Producer of Newsprint in the World

**From Our Own Correspondent**

MONTREAL. — There can be no doubt that very real operating economies and very real financing economies will result from the merger of Abitibi and Spanish River. The advantageous geographical location of the nine plants, which will come under the control of the new Abitibi company, alone assures such operating economies, not to mention the advantages which will be obtained through co-ordinating the efforts of the various research, operating and other departments of each of the component companies.

As far as savings in financing or re-financing are concerned, it can be seen that the Abitibi Company, which will have total assets of $178,000,000 and a funded indebtedness of $58,800,000, will be in a far better position to obtain a better price for its bonds than any of the component organizations. Furthermore, it is to be remembered that both Abitibi and Spanish River have a substantial sum in 8 per cent. bonds outstanding. When re-financing is ultimately undertaken, the savings which will accrue through the reduction of interest rates on these issues alone will be very substantial.

Then again, the Abitibi Power and Paper Co. now has a large supply of surplus power which is being utilized in its steam boilers. This will allow for low cost further expansion in the newsprint field—an expansion which could be undertaken the more readily by the larger company.

Some of the other satisfactory points about the merger are that no new financing is required and that none of the properties were acquired at competitive prices. While the plan involves an increase in the dividend rate, yet the earnings of both the chief companies have long been sufficient to permit such an increased dividend. Moreover, Abitibi will not pay dividends immediately upon the shares of the newer companies which it is acquiring. Deferring these dividends means that the company will only pay dividends immediately on a portion of its increased resources and increased revenues. All of which may be regarded as a sound and conservative arrangement tending to build up the position of the merger company at its inception.

**National Angle**

From a national angle the merger also appears to be satisfactory, for of Abitibi's ten directors nine are resident in Canada, and from the line-up of the merger, the original Abitibi interests will control the merger company. On January 1st next the Abitibi Company will have outstanding 688,894 shares, of which 500,000 shares will be in the hands of the original Abitibi shareholders and 188,894 shares will be in the hands of the present Spanish shareholders. On January 1, 1930, when the ultimate distribution of Abitibi shares has been made to shareholders of the six component companies, the total stock outstanding will be 941,696 shares, so that the present Abitibi shareholders will still control the undertaking.

The present merger plans are simply the first step leading to the complete consolidation of the six companies involved. In due course arrangements will probably be made for the retirement of the preferred shares of the new Abitibi subsidiaries and also for the ultimate retirement of the bonds of these subsidiaries.

In a nutshell, this first step in the merger provides for the acquisition by the Abitibi Power and Paper Company of the common shares of Spanish River, Fort William, Manitoba, Saint Anne, and the Murray Bay Paper companies.

**Dominates Newsprint World**

Thus, Abitibi will have a total daily rated capacity of some 2,200 tons of newsprint, equal to about one-third of the total daily capacity of all the Canadian mills. Moreover, the merger makes the new company the dominant newsprint company in the world. Its output will surpass that of the International Paper Company, as far as newsprint is concerned. This dominance should ultimately prove of value to the shareholders.

When the Abitibi merger programme is completed, its present annual capacity will be 650,000 tons of newsprint which could be increased to 1,000,000 tons of newsprint per year. The present developed water power sites of the company generate 190,000 horsepower, and its potential and its undeveloped water powers are estimated at 500,000 horsepower.

Apparently, there is to be little change in the executive direction of the company. Alexander Smith will remain president and George H. Mead, the president of Spanish River, will become the chairman of the board. The directorate will be enlarged to 21 members.

The Abitibi Power & Paper Company is to split its shares two for one, and to increase its authorized common stock issue from 500,000 shares to 1,500,000 shares. Abitibi is also to increase its authorized preferred stock from $1,000,000 to $51,000,000. The additional $50,000,000 is to consist of 6 per cent. cumulative, preferred stock, to rank after the present $1,000,000 issue of Abitibi 7 per cent., cumulative preferred.

**Division of Shares**

Subject to the approval of the shareholders of the various companies involved, Spanish River common shareholders will obtain two shares of new Abitibi for each share of Spanish. Fort William shareholders will exchange share for share; Manitoba Paper shareholders obtain 18/25; Saint Anne Paper 9/10 of a share, and Murray Bay shareholders obtain half a share of new Abitibi for each share of stock held.

The shares in the various companies must be deposited with the Trust Company before December 31st next. In order to make the exchange equitable, it was decided that all the shares of the component companies would be deposited immediately, but that new Abitibi stock would be issued according to the position of the various new subsidiaries of Abitibi. Thus, Spanish River shareholders obtain their new certificates on February 1, 1928. These shares rank for dividends from the first of the year.

Fort William shareholders obtain their allotment on July 1, 1928; Manitoba Paper on January 1, 1929; St. Anne on July 1, 1929, and the Murray Bay common shareholders on January 1, 1930. All these shares will rank for dividends from these dates.

**Dividend on New Stock**

It is apparently the intention of the Abitibi Company to declare a dividend of $4 per share immediately upon the new stock. Thus, the present Spanish River shareholders will obtain an increase of $1 per year per share on their stock, whilst the Abitibi shareholders obtain an increase of $3 annually on their present shares.

It may be felt by the preferred shareholders of Spanish River that it is unfair that the common shareholders of the company should obtain an increased dividend without the preferred shareholders obtaining a corresponding increase in their dividends, for Spanish preferred is participating after 7 per cent. has been paid on the common.

But it will be the Abitibi company which will pay $8 per share and not Spanish. Common shareholders of Spanish who do not turn in their stock will receive as formerly $7 per year per share. In other words, the Spanish common dividend has not been increased, but Abitibi has been willing to pay $1 per share per annum in order to obtain control of Spanish River.

In any event, in view of the honorable record of both companies, the preferred shareholders of Spanish River can rest assured that when the time comes, a satisfactory exchange offer will be made for their present holdings.

It is presumed that the holders of Spanish preferred will ultimately be offered new Abitibi preferred with sufficient common to enable them to par-

(Continued on page 7)

**Capacities of Mills in Abitibi Merger**

| | Tons per day |
|---|---|
| Abitibi | 540 |
| Spanish | 715 |
| Fort William | 160 |
| Ste. Anne | 250 |
| Manitoba | 250 |
| xMurray Bay | 120 |
| Minimum rated capacity | 2,035 |

x—When completed.

## Indications All Point to Price Maintenance

**From Our Own Correspondent**

MONTREAL.—Canadian newsprint mills, working at about 85 per cent. of installed capacity, have shown an increased production of 138,513 tons for the first nine months of 1927, as compared with the same period for last year. Last year the mills were operating at 97.8 capacity. The apparent discrepancy in production figures is accounted for by the fact that several new mills have been established during the past nine months and new machines brought into operation in the old ones.

The paper mills have been obliged to operate at a reduced capacity because of overproduction. The price of newsprint has been fixed at $65 a ton by a mutual agreement among the companies, but this price would speedily decline should some of the mills suddenly decide to bring their operations up to capacity. It is claimed that the present production costs do not warrant a lowering of the present price of newsprint, and any tendency on the part of the mills to break away from the present price would mean disastrous competition that would severely tax the resources of several of the newsprint companies.

The process of consolidation which has been going on in the Canadian newsprint industry for some time, and in which that of the Abitibi-Spanish River and kindred companies is the latest, will tend to keep prices at their present level. On the other hand, should the time come when in the opinion of some of the companies prices should be reduced, it would appear as though the mergers which have taken place would give the large groups of companies with identical interests a decided advantage over their small competitors, and it is questionable if some of the latter might not be forced to the wall. There is little likelihood of anything of this nature occurring at the present time, however, as the newsprint mills appear to be working in harmony.

It is also said that the publishers themselves have no desire to see the price of newsprint soften. Present advertising rates are based on the high price of newsprint, and a drop in the price of newsprint would necessitate a corresponding drop in the price of advertising rates, with the strong probability that the revision would mean a curtailing of advertising revenue.


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# Pulp and Paper

## HOWARD SMITH EXPANDS PLANT; ADDS MACHINE

### Cornwall Plant's Capacity Will be Increased by Next Summer

**From Our Own Correspondent**

MONTREAL. — Howard Smith Paper Mills has awarded a contract for a new paper machine, with a capacity of 40 tons a day of high grade sulphite bond, ledger, writings and book paper, to the Dominion Engineering Works. The machine has been ordered for delivery in February and is to be operating by the late spring or early summer. The machine is designed to turn out paper 132 inches wide and to run off 500 feet a minute. In view of the class of paper that the machine will be turning out, its productive capacity will surpass anything hitherto installed in a Canadian paper mill.

The installation of the new machine marks a further step in the program of expansion planned by the Howard Smith Paper Mills when it purchased the Cornwall plant from the Toronto Paper Manufacturing Co. in 1919. This plant was built in 1881 and little changes had been made up to the time of its purchase by the present company. To take care of the increasing demand for its products, the Howard Smith Paper Mills built a sulphite mill and erected a chlorine plant so that it might be able to manufacture a grade of pulp suited to the grade of paper it produces. A boiler plant and a large machine shop were also erected, all of which were necessary before the installation of the new paper machine with which the company proposes to replace the old machines with which the mill was equipped at the time of its purchase. The latest step in the construction program which this necessitated is the erection of a special building to house the new paper machine.

**Plant Expansion Also**

This building is 225 feet long by 80 feet wide, and will afford accommodation for an additional machine, which will be added as soon as conditions warrant. The new machine will replace two smaller machines and increase by 50 per cent. the fourdrinier production of the mill. When completely installed, the mill's capacity will amount to 70 tons a day, of which 30 tons will be of Bristol and 40 tons of book and writing paper.

Howard Smith Paper Mills timber limits are located on the Gaspe peninsula, where the pulpwood is cut and barked. It is brought by water to the Cornwall mill, where it is converted into pulp in a sulphite mill with a daily capacity of 70 tons of pulp, four tons chlorine gas and approximately the same quantity of caustic soda. The Canadian Cellulose is also located in Cornwall and is controlled by the Howard Smith Paper Mills. It turns out a high grade of soda pulp. The Cornwall plant produces high grade sulphite, bonds and ledgers, writing, book, blottings and specialties, in addition to high grade bristols and boxboards.

**Production At Crabtree**

The Crabtree, P.Q., mill produces lower grades of book paper, envelopes, writing and photogravure and exercise book paper. It is equipped with two fourdrinier machines and has a daily capacity of 35 tons.

The Beauharnois, P.Q., plant is engaged exclusively in the manufacture of high grade bonds, ledger papers and banknote papers and some specialties. A great deal of the paper in this mill is made exclusively from rags. This mill is equipped with two machines, producing 15 tons daily.

General business of the Howard Smith Paper Mills is said to be considerably better than last year, and the company at the present time is having difficulties in filling orders. Although the bulk of the company's products consists of high grade writing and book papers, blotting paper and specialties, and are sold largely in Canada, the company is also building up a large export trade. The company's products are shipped to Australia, New Zealand, Great Britain, South Africa, Cuba, Mexico and South America. The export trade of the company is said to be better this year than last, and showing a substantial increase. Competition is reported to be keen, however, with such countries as Great Britain, Scandinavia and the United States as the chief competitors. Considerable competition is experienced from Scandinavia, particularly in sulphite bond paper.

## Lake St. John Mill to be Completed Shortly

**From Our Own Correspondent**

MONTREAL.—Construction work on the buildings which are to house the newsprint mill of the Lake Saint John Power & Paper Co., at Dolbeau, Que., is practically completed. The work of installing two paper machines in being proceeded with rapidly, and that the mill will be in operation before the end of this year is assured. Last winter's cut of pulpwood is in the mill storage yard, and a sufficient supply is available to keep the machines busy until the delivery of this winter's cut. The company proposes cutting 100,000 cords during the coming winter.

The town of Dolbeau itself is undergoing a rapid transformation. The railway extension of 29 miles to the mill has been completed and trains have been operating for some weeks now. The waterworks and sewage system have been installed in the town and the company has also built 54 houses. About 100 stores and residences have been erected by private individuals. The advent of the railroad has facilitated the transportation of building material and a considerable building boom has developed in consequence.

## ST. LAWRENCE PAPER COMPANY SALE IS DENIED

### Reported Offer of $100 Per Share Without Foundation, Says Official

**From Our Own Correspondent**

MONTREAL.—Upward movements of paper stocks have been followed by all sorts of rumors of coming mergers and purchases of the companies affected by other interests. St. Lawrence Paper, which has shown a strong upward trend during the past week, is no exception to the rule. It has been reported that a leading investment house closely associated with the newsprint industry made an offer of $100 a share to the company.

Ernest Rossiter, vice-president and general manager of the company, has informed The Financial Post that this report is without foundation. It has long been anticipated that the St. Lawrence Paper Mills would eventually be brought into the group of companies whose interests were pooled at the time of the amalgamation of the St. Maurice Paper and the Belgo-Canadian Paper Co.

The company is controlled by Noah H. Timmins, president, and others associated with the Hollinger Consolidated Gold Mines. The stock of the company is closely held and it is known that in the past the price demanded by the shareholders of the company for their holdings has been considerably in excess of that which any prospective purchaser was willing to pay.

The St. Lawrence Paper Mills own or have under lease some 1,140 square miles of timber limits, with an estimated yield of 4,500,000 cords of pulpwood. The company also purchases under a contract expiring in 1943, 50,000 cords of pulpwood per annum. The present daily capacity of the mills amounts to some 320 tons of newsprint, and 25 tons of sulphite.

## Pulp Exports Reveal Poor Prevailing Market

**From Our Own Correspondent**

MONTREAL.—Exports of Canadian pulpwood for September show a considerable decline in volume and value as compared with the month of August. Exports of sulphate pulp are up, but bleached sulphite, unbleached sulphite, and groundwood pulp are all below last month's figures.

Both book paper and newsprint exports show increases over last month. Newsprint exports for September amouned to $11,054,318, as compared to $10,675,536 in August.

Kraft paper has shown a marked decline both as compared to August last, and as compared to September, 1926. Exports amounting to $15,963 are less than half the value of exports for the same month last year. Although book paper and bond paper show a decline, book paper exports are still far ahead of last year's figures. Paperboard exports are better than last month, but are considerably below September, 1926.

## ABITIBI-SPANISH MERGER SURE TO REDUCE THE COSTS

(Continued from page 6)

ticipate satisfactorily in the future growth of the company.

**No Hitch Anticipated**

As no hitch whatever is anticipated in the present projected exchange of shares, it is thought that eventually also the participating bonds of Spanish River will also be dealt with in some manner similar to the participating preferred.

The following figures reveal an estimate of the comparison of the Abitibi balance sheet as at January 1st next:

| | |
|---|---|
| **Assets** | |
| Current assets | $ 22,523,988 |
| Invest. in pfd. sck. of affil. Coy's | 1,620,000 |
| Other investments | 92,375 |
| Property, plants and limits | 150,453,770 |
| Prepaid and def. charges | 3,093,958 |
| Sinking Fund deposits | 274,532 |
| | $178,058,625 |
| **Liabilities** | |
| Current liabilities | $ 5,960,207 |
| Funded indebtedness | 58,835,673 |
| Reserves for deprec., etc. | 22,624,768 |
| Earn. surp. and undivided profits | 17,298,166 |
| Capital— | |
| Preferred stock | 21,418,000 |
| Common stock (941,696 shares) | 51,921,809 |
| | $178,058,625 |

Assuming that all the shareholders of the five companies accept the offer of the Abitibi Company, the amount of the common stock of the Abitibi Company from time to time outstanding in the hands of the public will be as follows:

| | Shares |
|---|---|
| January 1st, 1928 | 688,894 |
| July 1st, 1928 | 757,894 |
| January 1st, 1929 | 834,455 |
| July 1st, 1929 | 917,705 |
| January 1st, 1930 | 941,696 |

## MAY PRODUCE OIL FROM COAL IN CAPE BRETON

### Corporation Takes Option on Mines Property of Inverness Company

**From Our Own Correspondent**

SYDNEY, N.S. — November 15th will probably tell the tale whether Inverness town is to expand into a modern industrial centre of 15,000 to 20,000 people, or to lapse back into the coma of misfortune that has blighted this fine district ever since the war.

Your correspondent is reliably informed to-day that the Coal-in-Oil Corp. of New York, has not, as frequently stated by Canadian newspapers, actually purchased the Inverness Coal and Railway Co. mines and track to Point Tupper, but has only taken an option which expires November 15th.

According to Eugene Davis, president, the syndicate plans to employ a new European process of crushing coal and putting it through a by-product plant. The daily output will consist of 1,600 tons of a product known as super-coal, and 16,000 gallons of high volatile by-product of the toluol, benzol and xylol types which will be mixed with ordinary gasoline to produce motor fuel of exceptionally high anti-knock and mileage qualities. High calorific gas will be another product.

Mr. Davis speaks confidentially of a $7,000,000 plant employing 3,000 men with a daily payroll of $20,000 supporting a population of at least 15,000.

B. Casey Wood, K.C., of Toronto, is in Halifax this week searching the titles of the mine and railway properties on behalf of Coal-in-Oil.

Inverness coal is of a high quality but owing to over-production elsewhere since the war, the mines have operated only a few months in the last seven years. The railway is at present under operating lease to the C.N.R.

Such a development would mean wonderful things for the whole island and for the sake of Inverness, the most beautiful part of Eastern Canada, it is hoped it will all come true. November 15 should furnish a fair indication of what is likely to happen.

## Asbestos Exports Reveal Position of Corporation

**From Our Own Correspondent**

MONTREAL.—Exports of asbestos and of asbestos sand and waste for the twelve month period ending September, 1927, show a satisfactory increase in value over the corresponding period for last year. Exports of asbestos itself have fallen off very slightly in quantity, but this has been more than compensated for by an increase in value. Asbestos sand and waste exports are ahead of last year's, both in quantity and in value. All of which should be reflected in the earnings of the Asbestos Corp.

September exports of asbestos fell off both as to quantity and value, as compared with the preceding month of August. Exports of asbestos sand and waste showed a slight increase in tonnage, but a small drop in value.


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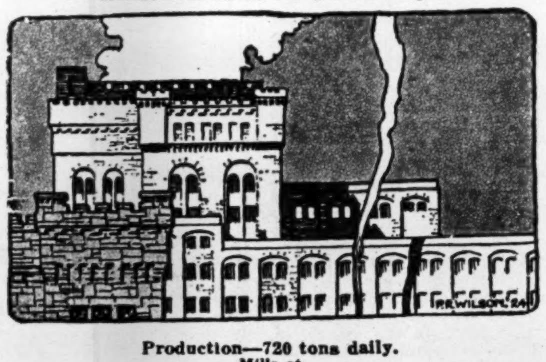

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# Public Utilities

## SOUTHERN CANADA POWER ANNOUNCES NEW STOCK ISSUE

### Shareholders Offered 12,000 Shares No Par Value Common Stock

From Our Own Correspondent

MONTREAL.—The recent strength and activity shown in the stock of the Southern Canada Power Company and the Power Corporation of Canada, which holds a substantial block of stock in Southern Canada, may be now explained by the action of the directors of Southern Canada Power, who have just offered a new stock issue of 12,000 shares of no par value common stock.

This stock is offered to shareholders of the company as of record Oct. 31, 1927, at $80 per share, in a ratio of one share of new stock to the holder of five shares of old stock. The new issue will rank for dividends from February 1, 1928. Payment on the stock is to be made as follows: $20 per share on December 1, 1927, $20 per share on January 3, 1928, and final payment of $40 per share on February 1, 1928.

**Expansion Continues**

The rise in the stock of Southern Canada to a new high level of 140, and the strength shown by Power Corporation of Canada stock, which sold as high as 68, was accounted for by some as due to a coming sale of the Southern Canada Power Company. Several large interests were reported as dickering with the directors of this company for the control. It is known that offers have been made, but the management of the company have maintained that these have not been considered.

No indication has been given by the directors of Southern Canada Power as to what use the additional capital brought in by the present stock issue will be used, but it is probable that it will be used for general corporate purposes. The company has expended considerable sums of money in expanding its system throughout the Eastern Townships and there is no doubt but that a substantial part of the new capital will be used in further extensions.

The recent happenings in Southern Canada Power cannot but have been a source of much satisfaction to the shareholders of this company's stock. The offer of the new issue of stock at an attractive figure to present shareholders, follows closely on the declaration of an additional dividend of $1 per share on the common stock over and above the regular annual dividend payment of $2 a share which has been paid since 1924.

**Rights Are Valuable**

Reports of a probable increase in dividends that will put the stock on a regular $4 a year dividend basis, the knowledge that an increasing number of industries have been attracted to the territory, served by the company with a consequent increase in demands for the company's power and the further knowledge that important outside interests are desirous of acquiring control of the company, should all tend to confirm the investors in their wisdom in having invested their money in this company.

The rights the shareholders have obtained in the new stock issue offer, are in themselves of considerable value.

## Public Utility Earnings

**DULUTH-SUPERIOR TRACTION**

| 3rd Quarter | 1927 $ | 1926 $ | % Inc. or Dec. |
|---|---|---|---|
| Gross rev. | 455,292 | 443,175+ | .48 |
| Oper. exp. | 366,031 | 379,517— | 3.55 |
| Net rev. | 79,261 | 63,658+ | 24.51 |
| Fixed chgs. & taxes | 77,135 | 72,654+ | 6.17 |
| Net income | 2,126 | x8.995+ | |

| 9 mos. | 1927 $ | 1926 $ | % Inc. or Dec. |
|---|---|---|---|
| Gross rev. | 1,495,871 | 1,436,318+ | 4.15 |
| Oper. exp. | 1,162,812 | 1,187,866— | 2.11 |
| Net rev. | 333,059 | 248,451+ | 34.05 |
| Fixed chgs. & taxes | 240.514 | 227,931+ | 5.52 |
| Net income | 92,544 | 20,520+ | 351.00 |

x Deficit.

**Twin City Rapid**

| 3rd quarter— | 1927 | 1926 | % inc. or dec. |
|---|---|---|---|
| Gross rev. | $3,008,836 | $3,153,679 | —04.59 |
| Oper. exp. | 2,400,776 | 2,414,803 | —00.58 |
| Net. rev. | 608,060 | 738,875 | —17.70 |
| Fix. ch. & txs. | 514,397 | 553,719 | —07.10 |
| Net income | 93,663 | 185,155 | —49.41 |

| 9 mos.— | 1927 | 1926 | % inc. or dec. |
|---|---|---|---|
| Gross rev. | $9,883,113 | $10,370,890 | —04.70 |
| Oper. exp. | 7,412,343 | 7,773,462 | —04.65 |
| Net rev. | 2,470,769 | 2,597,428 | —04.88 |
| Fix. ch. & txs. | 1,632,711 | 1,718,273 | —04.98 |
| Net income | 838,058 | 879,155 | —04.67 |

**Brazilian Traction**

| Sept.— | 1927 | 1926 | Decrease |
|---|---|---|---|
| Gross earn. | $3,293,117 | $3,412,481 | $119,314 |
| Oper. exp. | 1,393,921 | 1,501,080 | 107,159 |
| Net earn. | 1,899,196 | 1,911,351 | 12,155 |
| Agg. gross from Jan. 1 | 28,419,127 | 29,447,035 | 1,027,908 |
| Agg. net from Jan. 1 | 16,484,451 | 16,802,431 | 317,980 |

In comparing the earnings for Sept., 1927, with the previous year it should be noted that the average exchange realized in Sept., 1926, was 15.37 cents, as against 11.98 cents in Sept., 1927.

The figures for the past thirteen months follow:

| | Gross | Net | Net Inc. |
|---|---|---|---|
| 1926— | | | |
| September | $3,412,431 | $1,911,351 | $397,063 |
| October | 3,200,476 | 1,782,934 | 97,211 |
| November | 3,001,416 | 1,659,151 | 105,113 |
| December | 2,953,964 | 1,456,192 | *258,226 |
| 1927— | | | |
| January | 2,975,801 | 1,674,929 | *117,359 |
| February | 2,876,573 | 1,614,573 | *64,214 |
| March | 3,080,055 | 1,765,482 | 2,139 |
| April | 3,053,071 | 1,743,614 | 28,242 |
| May | 3,237,839 | 1,901,400 | *49,208 |
| June | 3,197,303 | 1,910,223 | *127,230 |
| July | 3,346,083 | 1,984,762 | *6,044 |
| August | 3,358,938 | 1,990,203 | 27,849 |
| September | 3,293,117 | 1,899,196 | *12,155 |

*Decrease.

## DULUTH NET UP, TWIN DOWN, BUT FARE CASE PENDS

### Improvement in One Instance Indicates Rates Are Adequate Now

Duluth-Superior Traction had a net income of $92,544 for the first nine months of the current year, compared with a net income of $20,520 in the corresponding period of last year. In percentages, the improvement is even more impressive, for it is 350 per cent.

The third quarter also shows a marked improvement. This year, the net income was $2,126, compared to a net deficit of $8,995 in the corresponding three months of last year.

**Twin Asks Increase**

Duluth-Superior, it should be recalled, is showing the better earnings as a result of increased street-railway rates granted by the authorities in the territory served, after the company had had various contests in the courts and otherwise. All the legal actions are not, as yet, disposed of, but it is believed that the main contentions have been settled, and settled in favor of the company.

Twin City Rapid Transit, on the other hand, shows a decrease in earnings. After preferred dividend requirements, there remains only eighteen cents the share on the common stock in the quarter ended September 30th. This compares with 95 cents in the preceding quarter and 74 cents in the third quarter of 1926.

Net income for the latest quarter was $93,663 after fixed charges and taxes, compared with $185,155 in the corresponding quarter of 1926. For the nine months, the net was $838,058, compared with $879,155 in the corresponding nine months of 1826.

Consolidated statement for quarter for Twin City ended September 30, 1927, compares as follows:

| | 1927 | 1926 | 1925 |
|---|---|---|---|
| Gross | $3,008,836 | $3,153,679 | $2,847,327 |
| Bal. aft. exp. | 608,060 | 738,875 | 593,552 |
| Net after tax & fixed chgs. | 93,663 | 185,155 | 56,387 |

Nine months ended September 30:

| | 1927 | 1926 | 1925 |
|---|---|---|---|
| Gross | $9,883,113 | $10.370,890 | $9,231,793 |
| Bal. aft. exp. | 2,470,769 | 2,597,428 | 2,378,307 |
| Net aft. tax & fixed chgs. | 838,058 | 879,155 | 714,610 |

## Avon River Power Expands; Erects 4,350 h.p. Plant

By Staff Editor

WINDSOR, N. S.—The Avon River Power Co. is again expanding. About a mile up the river from its original plant the company has commenced construction work on a new generating plant which will produce 4,350 h.p. The other plant on the Avon River produces 2,600 h.p., while that on the Gaspereaux River produces 1,100 h.p. Thus, at the conclusion of the present development programme the company will be producing over 8,000 h.p.

The company was first organized in 1923 and serves the prosperous Annapolis Valley section of Nova Scotia. Since its inception, the company has expanded by the acquisition of two light and power companies operating in that territory. Replacing W. H. Chase, who has resigned from the board, R. A. Jodrey, formerly managing director of the company, is now president. To finance its expansion, the Avon River Power has sold an issue of securities, which, it is understood, will soon be offered to the public.

## NATION'S BUSINESS

(Continued from page 1)

not sufficiently aided by the tariff. The sugar refineries are not in the first class. It is therefore unfortunate that the Consumers League of Canada, represented by R. J. Deachman, should appear before the tariff board and ask for a reduction in the sugar tariff, when all those in touch with the industry realize that during the past twelve months it has been experiencing the keenest of keen competition with foreign producers, notably the Cuban refineries.

The kind of competition which the sugar refineries are now meeting will make itself the more readily seen next February, when the many shareholders in the refining industry in Canada obtain the annual report covering the operations of their companies during the current year.

The cause of the hard times now being experienced by the sugar refineries is traceable to world conditions. European countries have raised their tariff walls and in some instances have subsidized their domestic sugar beet industry. Thus, the foreign market for Canadian refined sugar has been largely closed. Other manufactured sugar exporting countries have naturally endeavored to obtain the Canadian market, and the domestic refineries here have had to keep their prices very low in order to obtain anything like their share of the business offering. Then again, the Cuban government has restricted the amount of raw sugar which can be produced, in order to obtain better prices for the production. Such action has stimulated sugar production in other parts of the world, which has been anything but an assistance to the Canadian refiners. In view of the present world sugar situation, it seems that it will be many months before the Canadian refineries return to a satisfactory earning position. Any reduction in the sugar tariff now would bring in its train great hardship to shareholders and employees of the Canadian sugar refineries.

**Ore Receipts at Trail**

Ore receipts at Trail Smelter from Oct. 8 to 14, inclusive, and from Jan. 1, 1927, to date, in tons, follow:

| | | |
|---|---|---|
| Company's mines | 8,590 | 334,848 |
| Other mines | 2,653 | 120,873 |
| | 11,243 | 455,721 |

## Manitoba Farmers Buy Oats This Year

A strange reversal of a natural situation is shown in Manitoba this year. The United Grain Growers Company is selling feed oats to the farmers of the province using elevators that were built to gather in Manitoba oats as the first step in sending it to export markets.

Oats has proven a poor crop in Manitoba. Farmers who ordinarily have oats to sell, found that they did not have sufficient crop to meet their own needs for feed. They had to buy instead of sell oats. And so the U.G.G. bought oats, put it in store in its country elevators and sold it to the farmers.

It was like Niagara Falls running uphill.

## COAST INTERESTS WANT 'HANDS-OFF' POLICY FOR PACT

### Ask That Nothing be Done to Imperil Australian Trade Treaty

From Our Own Correspondent

OTTAWA.—In regard to the Australian Treaty, Canadian business interests in British Columbia have expressed a strong desire that nothing be done to imperil the future of this trade agreement.

This general attitude of business men in the western province was reported in a dispatch published in The Financial Post last week from Vancouver. In this it was stated that while in Alberta, Hon. J. A. Robb, minister of finance, was asked to put into effect a dumping duty against imports of Australian butter this winter. Mr. Robb was reported to have declined to grant the request.

**Objectionable Duty in Force**

The anti-dumping duty which was placed upon butter imports from Australia in January, 1926, has been one of the outstanding grievances of that dominion and is stated to be a prime cause of the dissatisfaction shown towards the trade treaty.

Inquiry at the customs department, however, shows that the anti-dumping duty never has been lifted and to-day is being applied against Australian butter imports just as it was 18 months ago.

Officials of the customs department declared that they were unaware of any intention to remove it. The dumping duty was put on because Australia bonused exports of butter, under what is known as the Paterson scheme, which has frequently been discussed in The Post.

## *Maple Leaf Milling Earnings Rise When Costs Are Reduced*

Maple Leaf Milling Co. is expected to show a substantial increase in earnings in its next annual report, which will be available in May. Maple Leaf's fiscal year ends March 31st, although most of the milling companies end their fiscal years August 31st.

There has been some increase in milling activity in the current year, it is reported, but the greater part of the increased earnings, it is expected, will come from subsidiaries and from economies which recently have been effected. It is said that operating expenses have been reduced more than $200,000. Canada Bread, which is controlled by Maple Leaf, recently increased its common dividend from $5 to $6.

## Forbes Not Included in Knit Goods Union

George D. Forbes, of the R. Forbes Company, manufacturers of woollens and worsteds, at Hespeler, denied this week that his company was entering the much-discussed woollen and knit goods merger. "We have never been asked to go in with the others," said Mr. Forbes. "There is no truth in the report at all."

R. O. Denman, of Denman and Company, investment bankers, Hamilton, stated this week that the merger had not been concluded but was still being actively negotiated.

## City Dairy Holders Told of Offer to Buy

Shareholders of City Dairy this week have received a letter from the management enclosing a copy of an offer for purchase of the property on the basis of $170 a share for the common, and $125 a share for the preferred. The management explained that the directors rejected the offer because, among other reasons, the price was less than the market value of the shares at the time the offer was made. Since then, City Dairy common has moved up to $200.

The offer came from McCarthy & McCarthy, a Toronto legal firm, acting for clients. The identity of the principals was not revealed.

The management also explained that the directors, as previously reported, intended as soon as possible to submit to the shareholders a proposal to split each common share of $25 par value into four shares of no-par value and to place the new shares on a $2 basis. The company last year paid 12 per cent. regular dividend and 4 per cent. extra. The common earned 40 per cent.

It also was explained that the managing director, W. J. Northgrave, had been presented with 500 shares of stock in recognition of his 25 years' service. It is assumed that this is the present stock, which now has a market value of approximately $100,000. The shareholders at the annual meeting authorized the directors to take some action in recognition of Mr. Northgrave's long service.

**96 Per Cent. of Bell Telephone Stock is Held in Lots of Less Than 100 Shares**

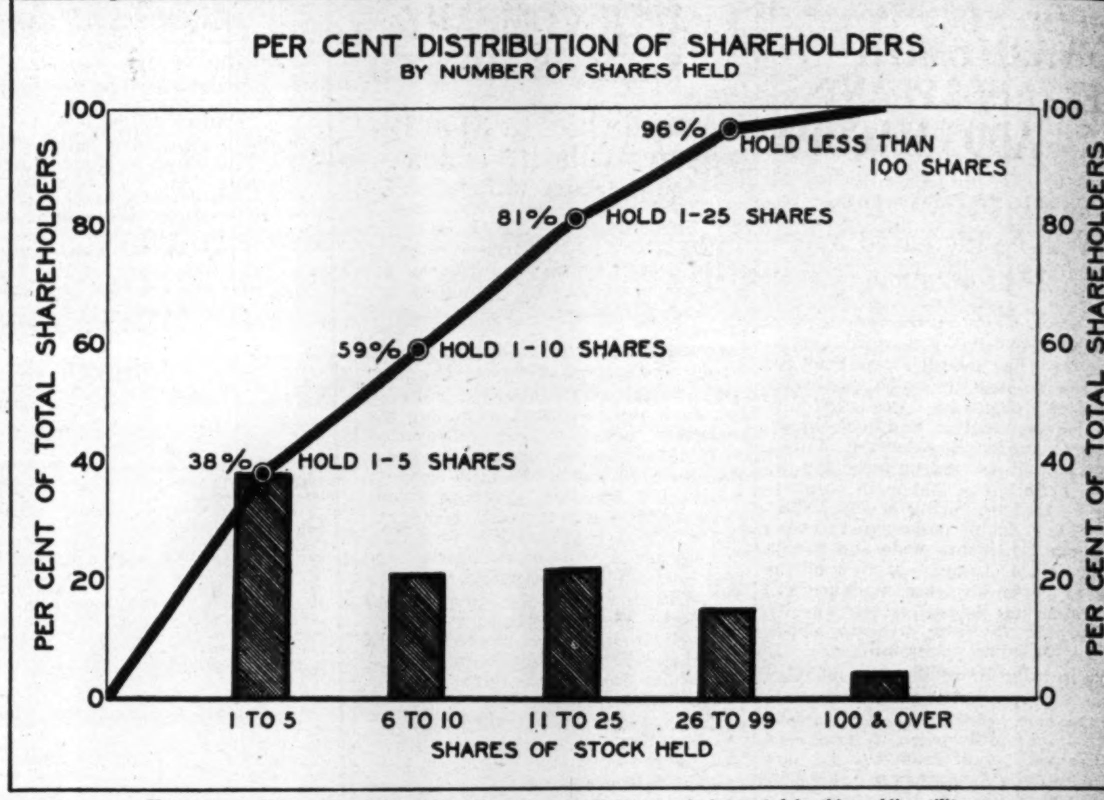


Chart prepared from shareholders' list shows how small investor is interested in this public utility.

## Third-Quarter Business is Ahead of Past Year

By SYDNEY B. SMITH

The volume of general business was at a somewhat lower level in the third quarter of the present year than in the second, but still considerably above the level of the same quarter in 1926.

According to an index consisting of a weighted average of the physical volume of 26 factors, an increase of about 12 per cent. was shown over the level of the third quarter of 1926, while the decline from the preceding quarter was about 2 per cent.

The index, prepared especially for The Financial Post, in September was 133.6, compared with 136.1 in August, representing a decline of 2 per cent. In the mining division, the production of gold and silver were in lesser volume than in August, while the output of base metals, including copper, nickel and zinc, according to exports, was much greater. Coal mining was slacker in September, if one may appraise the activity by the employment statistics.

**Activity Generally Lower**

Of the eleven items used to indicate the trend in the manufacturing industries, only hog slaughterings and crude petroleum imports showed increases. Exports of lumber were moderately less and production of newsprint showed a slight decline from the preceding month. Imports of raw cotton were less, but this may have been due to the rise in price rather than to any curtailment in operations. The primary iron and steel industry and the production of automobiles showed considerable recession.

Construction contracts awarded held up well in September, but building permits were at a lower level than in any other month this year, due allowance being made for seasonal tendencies. Employment in wholesale and retail trade showed another slight increase in September, being one of the bright spots of the economic situation. Exports were in larger volume and imports were nearly maintained.

Car loadings increased seasonally, the gain not being sufficient to offset the usual adjustment. Industrial employment on October 1 was somewhat below the level of September 1. Bank debits was a factor to show a large increase, but this development may be attributed mostly to speculative activity.

## CATTLE MARKET SITUATION BETTER

There was a further increase in the number of cattle marketed in Canada during September, as compared with the previous month and the same month last year. The increased volume was due almost entirely to the heavy runs at Winnipeg, all other yards either showed a decrease or a movement practically even with that of last year.

To date, cattle sales at all stock yards amount to approximately 590,000 head, as compared with 664,000 during the corresponding period of 1926. The amount of livestock billed through from the West to the East, so far this year, has been rather small, being only about 23,000 head, as compared with 68,000 head during the past year.

The market situation has been encouraging and despite increase in runs, demand has been quite capable of taking care of all stock of passable quality. This has been true as regards the situation both east and west.

Stocker and feeder demand has featured the market, possibly the strongest enquiry being on United States account. Prices paid both east and west indicate growing confidence in the business of feeding cattle. During the year approximately 64,000 stockers and 27,000 feeders have been purchased on public stock yards for shipment to points in Canada. At the same time, about 35,000 stockers and 14,000 feeders were bought for shipment to the United States. The total feeder shipments overseas to date amount to only 3,529 head.

During the month there were 16,000 stockers and 7,300 feeders shipped back to country points, and 14,000 stockers and 5,600 feeders shipped to the United States points. No stock was shipped overseas. At the Union Stock Yards, Toronto, sales were about the same in volume as last year, but through billing 4,300 more, mostly from Western Canada.

## Strength of St. Lawrence Paper Not Yet Revealed

From Our Own Correspondent

MONTREAL.—All kinds of rumors are in circulation regarding the rapid appreciation in the shares of the St. Lawrence Paper Mills. None of the rumors, though, appear to emanate from official sources. One financial bulletin published an article indicating that the company had received offers from three of the larger newsprint companies, but that the price was not sufficient to attract the St. Lawrence interests. While the management has made no denial of these and other rumors, The Financial Post understands from authoritative sources that no definite offer has been made to the company as yet.

However, it might well be that offers have been turned down by the majority interests in the company which were not officially made to the management. The control of the St. Lawrence Paper Mills stock is very closely held.

The gossip that the company will shortly undertake still further expansion has no basis of fact. In the meantime, investors in the common shares are scurrying around in a fruitless endeavor to obtain the real explanation of the strength in the shares.

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Oct. 26th, 1927.

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# MARKET RECORD FOR PURE GOLD STOCK NOT GOOD

## One of Few Which Has Not Risen on Toronto Board

### EARNINGS IMPROVING

### Eighteen Per Cent. Gain Over Last Year Indicates Nearly $2.50 Per Share

One of the few stocks listed on the Toronto Stock Exchange which has not risen in the last year or two is that of Pure Gold Mfg. Co. From the fact that insiders have been buying the stock recently, it is believed that the prospects for the company are steadily improving and that the market should take a better view of the company.

Only about 20,000 shares of the total of 50,000 shares of no-par value outstanding were offered the public and since that time it is believed that many of these have drifted back into the hands of the executive. The offering price of this stock was $24.50 the share. The high point was $27, and the present price is around $21. On this basis, the yield on the investment is well over 7 per cent. and thus is highly attractive if there is reasonable safety.

**Profits Are Higher**

It is reported that profits in the first four months of the current year, from July to October, are running about 18 per cent. ahead of the corresponding months of last year. This would give earnings of about $2.40 the share, compared with $2.03 the previous year after depreciation, reserve for taxes and writing off of organization expense. It is said that the company's business through the year is fairly steady and that these four months may be taken as average months.

There are a number of purchasers of this stock who, in recent months, have voiced criticism of the management because the market value of the issue has not risen. Clients of brokers who occasionally inquire as to this issue usually are told that the stock has not fulfilled its early promise of being favorably compared with Dominion Stores, Loblaws and one or two other fortunate issues which reached the market at about the same time and since have gone far.

**Is Long Established**

Pure Gold Mfg. Co. is operating a business which was established half a century ago by Thomas B. Greening, who is still connected with the business, but who is not active in its management. The company buys coffees, teas, spices, etc., in countries of origin and brings these products to Canada where they are refined, blended, packaged and sold to the jobbers and retailers. The company's principal warehouse and factory are in Toronto, but warehouses are established in other cities. The subsidiaries, under whose names much of the trading is done, are Todhunter, Mitchell & Co., and Thomas B. Greening & Co.

The business long has been highly profitable, it is reported, and it continues to be highly regarded in the trade. With products which are virtual essentials and markets which long have been established, it is believed that the company should begin to make progress comparable to the progress made by chain food stores which are, in large part, breaking new ground. The management of the company is experienced and is believed to be capable, and it is thought that assiduous attention to the business will result in gratifying results to the minority shareholders.

## Dividends Declared

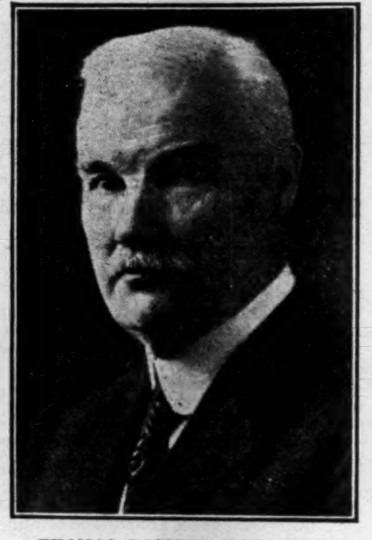
| | Rate | Date | Record |
|---|---|---|---|
| Hiram Walkers | 50c. | Dec. 15 | Nov. 30 |
| Inter. Paper, com. | 60c. | Nov 15 | Nov. 1 |
| So. Can. Power, com. | $1 | Nov. 15 | —— |
| Standard Bank | 3% | Nov. 1 | Oct. 15 |
| Imperial Bank | 3% | Nov. 1 | Oct. 15 |
| Penmans, com. | $1 | Nov. 15 | Nov. 5 |
| Do, pfd. | 1½% | Nov. 1 | Oct. 21 |
| Christie Brown, com. | 30c. | Nov. 1 | Oct. 15 |
| Do., pfd . | 1¾% | Nov. 1 | Oct. 20 |
| Steel of Can., com. | 1¾% | Nov. 1 | Oct. 7 |
| Do, pfd. | 1¾% | Nov. 1 | Oct. 7 |
| Russell Motor, pfd. | 1¾% | Nov. 1 | Oct. 14 |
| Mexican L. & Pr. cum. pfd. | 3½% | Nov. 21 | Oct. 31 |
| Do., 2nd pfd. | 2% | Nov. 21 | Oct. 31 |
| Ont. Steel, com. | 1½% | Nov. 15 | Oct. 31 |
| Do., pfd. | 1¾% | Nov. 15 | Oct. 31 |
| Inter Nickel, pfd. | 1½% | Nov. 1 | Oct. 13 |
| Zimmerknit. pfd. | 1¾% | Nov. 1 | Oct. 25 |
| Hollinger | 2% | Nov. 4 | Oct. 19 |
| Brazilian, com. | 1½% | Dec. 1 | Oct. 31 |
| Gosse Pack., pfd. | 1¾% | Nov. 1 | Oct. 10 |
| Bank of Toronto | 3+1% | Dec. 7 | Nov. 15 |
| Bank of Commerce | 3+1% | Dec. 1 | Nov. 15 |
| Can. Bronze, pfd. | 1¾% | Nov. 1 | Oct. 21 |
| Wright-Hargreaves | 5c. | Nov. 1 | Oct. 17 |
| Fairbanks-Morse, pfd | 3%* | Nov. 15 | Oct. 31 |
| B. C. Pulp, pfd. | $1.75 | Nov. 1 | Oct. 15 |
| Para. Oshawa Theat., pfd | 1¾% | Nov 15 | Oct. 31 |
| McIntyre Porc. | 5% | Dec. 1 | Nov.1 |
| Muirheads, pfd. | 25c. | Nov. 1 | Oct. 15 |
| Stanfords, 1st pfd. | 1¾% | Nov. 1 | Oct. 15 |
| Do., 2nd pfd. | 1¾% | Nov. 1 | Oct. 15 |
| Massey-Harris, pfd. | 1¾% | Nov. 15 | Oct. 29 |
| Royal Bank | 3+2% | Dec. 1 | Oct. 31 |
| Quebec Dairies, pfd. | 1¾% | Nov. 1 | Oct. 20 |
| Can. Oil, com. | 25c. | Nov. 15 | Nov. 1 |
| Do, pfd. | 2% | Jan. 1 | Dec. 20 |
| Bank of Montreal | 3+2% | Dec. 1 | Oct. 31 |
| Wood, Alex. and James, pfd. | 1¾% | Nov 1 | Oct 20 |
| Canada Cement, pfd. | 1¾% | Nov. 16 | Oct. 31 |
| Famous Players, pfd. | $2 | Dec. 1 | Oct. 31 |
| Pure Food Stores, 1st pfd. | 1¾%, | Nov. 1 | Oct. 27 |
| Do., 2nd pfd. | 1¾% | Nov. 1 | Oct. 27 |
| Nat. Brick, pfd. | 1½% | Nov. 15 | Oct. 31 |
| King Ed. Hotel, com. | $2 | Nov. 1 | Oct 27 |

*On arrears.

**Bond Redemptions**

| | Rate | Due | Redeem. |
|---|---|---|---|
| Shawinigan "A" | 5½% | 1950 | Dec. 1 |
| Do., "B" | 6% | 1950 | Jan. 1 |
| Do., "C" | 6% | 1950 | Jan. 1 |
| Do, "D" | 5½% | 1954 | Apr. 1 |
| Do,. "E" | 5% | 1955 | Apr. 1 |
| Do., Cons. Mtge. | 5% | 1934 | Jan. 1 |
| Ott.-Montreal Power | 6½% | 1940 | Dec. 1 |
| Gatineau Riv. Pr. | 6½% | 1940 | Jan. 2 |
| Port Alfred Pulp "B" | 6½% | 1943 | Apr. 1 |
| Page-Hersey, 1st mtge. | 6% | 1946 | Nov. 1 |
| Provincial Paper | 6% | 1940 | Nov. 1 |

## To Honor Macaulay, 50 Years with Sun



THOMAS BASSETT MACAULAY

On the evening of Nov. 3rd, a brilliant assemblage of Canadians will gather in Montreal to do honor to the grand old man of insurance.

On that occasion, Thomas Bassett Macaulay, F.I.A., F.A.S., will mark the completion of fifty years of service with the Sun Life Assurance Company of Canada, and by way of a personal tribute, his friends and business associates are tendering to "T.B." a banquet which will embrace leaders from all parts of Canada.

The tribute is justly deserved, for in his fifty years of service, Macaulay has proven himself a Canadian of the truest and finest calibre. Tremendous responsibilities have but served to emphasize the character and kindliness of this worthy son of a worthy sire. Like his father before him, "T.B." has extended the Sun Life "family" into all parts of the world, and has maintained the family tradition that there is more in business—and particularly the life insurance business—than mere dollars and cents. It is no idle tale, that Mr. Macaulay has consistently kept the human and idealistic side of his business constantly to the fore, and whether he is playing the role of farmer, of investor or of insurance man, the same qualities of heart and mind, are invariably displayed.

The Macaulays—father and son—have been associated with the Sun Life since its incorporation some 56 years ago, and T. B. Macaulay's guerdon, after fifty years of hard, conscientious effort, is the magnificent organization of which he is presiden*

# PROV. APATHY DEFERS ACTION ON RURAL CREDIT ACT

## No Board Formed Until Provinces Co-operate With Dominion

**From Our Own Correspondent**

Ottawa.—Hon. J. A. Robb, minister of finance, will not organize the Rural Credits Board, as provided for in the Rural Credits Act passed last session, until at least one province has indicated a desire to have the scheme put into operation.

This was the information made public at the finance department.

The Rural Credits Act states that the scheme shall only become effective in any province after that province has enacted enabling legislation. This provision was inserted in the act in order to remove doubts as to the jurisdiction of the Federal Parliament to carry out a credit scheme.

Under the provisions of the act the scheme will be self sustaining and there is no reason to believe that interest rates will be reduced below the level now obtaining in Western Canada.

For this reason there has been no demand as yet from any of the provinces for the introduction of the proposed credit system. Unofficially, the department of finance has been informed that Alberta intends to come in, but otherwise there has not been even a spark of interest since the terms of the act were made known.

At any rate, none of the provincial legislatures will meet until 1928, so that, at the earliest, the government will not bestir itself in the matter until next March or April.

# LOBLAW ENTERS FIELD IN OTTAWA WITH GROCETERIA

## Three or Four New Stores Will be Opened Soon

### PROFITS ARE LARGER

### New Toronto Warehouse is Expected to Reduce Costs; Buffalo Company is Now Successful

Loblaws have entered the Ottawa field, having leased property on Rideau Street near the market. The building is being overhauled at a cost of $22,000 and it is expected that the store will be open for business about the middle of next month.

Head office of the company in Toronto state that they are looking over several other locations in the capital city and probably will open three or four more stores in the near future.

Loblaws now has 59 stores in operation and expects to have 65 by the end of the year.

**Has Cash For Warehouse**

The company expect to pay for its new warehouse on Fleet Street, Toronto, virtually out of current income. When the warehouse is completed with all its fittings, at least $750,000 will have been expended, it is said. The building will be one of the most modern in existence anywhere and with the Loblaw penchant for systematic arrangement of goods, it is expected that the profit per dollar of sales will be increased by at least one cent.

Loblaws, it should be noted, has a higher profit per dollar of gross sales than any other chain store. This net profit reached $5.98 in the year ended May 31, 1927. With the volume approaching the $13,000,000 scale in the current year, it is believed that the net profit will be fractionally higher.

Dominion Stores profit per dollar of sales on a larger volume (about $19,000,000) is expected to be 2.8 cents in the current year. Dominion Stores, on the average, are much smaller than Loblaw Groceterias and the territory covered is much larger.

Loblaw's Buffalo stores are reported to be operating at a substantial profit now. The Buffalo company in the last several months has opened a number of additional stores in Buffalo, Niagara Falls and suburbs of those two cities and excellent progress has been made, it is said, despite keen competition.

**Owns Buffalo Stock**

Loblaw Groceterias Co., Ltd., owns 2,600 prior pref. shares of Loblaw Groceterias, Inc., which are carried in the parent company's balance sheet at $260,000. The Canadian company also owns 2,600 common shares of the Buffalo company which are carried on the books at $1. The Buffalo company, it is said, is now within sight of a dividend on the common stock.

Another investment of the parent company is 150 shares of stock in Loblaw Groceteria, Ltd., of Alberta. The Western Canada venture so far, however, has not been profitable.

Loblaw common stock outstanding total 174,324 shares of no par value on which $1.30 in dividends are paid annually. The current price of around $80 the share gives a very low yield, but the prospects of the company are considered excellent. This price compares with 82,500 shares of common outstanding for Dominion Stores, which is selling in the early nineties and on which $2.40 in dividend is paid. Dominion Stores also is without preferred stock or bonds. Loblaws have no bonds outstanding, but at the end of the last fiscal year, there was $547,700 of 7 per cent. preferred stock outstanding.

## T. Ross Boys & Co. is New Brokerage House

Announcement is made of the formation of the brokerage firm of T. Ross Boys & Co., members of the Toronto Stock Exchange, and the opening of offices at 609 Dominion Bank Building, Toronto. The partners of this firm are T. Ross Boys and A. M. Ramsay.

Mr. Boys was a partner in the firm of Brouse, Mitchell & Co., Toronto, for many years and latterly associated with the firm of George E. Harley & Co. A. M. Ramsay was formerly connected with the investment house of A. E. Ames & Co., and latterly represented the firm of George E. Harley & Co. on the floor of the Toronto Stock Exchange.

The new firm will deal in stocks, bonds and investment securities.

# Tobacco Stocks Rise Slowly With Expectation of Lower Duties, Greater Prosperity

Increase of prosperity in Canada and the rise of nearly all the tobacco and cigar stocks in the United States have been directing the attention of Canadian investors recently to tobacco stocks in Canada. The two principal ones are Imperial Tobacco Co. and the Tuckett Tobacco Co.

Earnings of both these companies have fluctuated considerably in the last several years, but both have been so well financed that the results have been uniformly satisfactory from the viewpoint of shareholders.

**Seek Tax Reductions**

Doubtless the market values of stocks would have been much higher in the last year or two if the government had seen fit to reduce the taxes on tobacco products to the same extent that other taxes have been reduced. Recently the industry has been making representations to the tariff board, and it is fair to expect, soon or late, that there will be material reductions.

It is believed that reductions will be in the interest of the government, as well as of consumers, and the companies, for excessive taxes have resulted in smuggling, particularly of cigarettes, on a large scale.

**Shares Rise Slowly**

The companies, it is said, are in position to manufacture as cheaply as such products can be manufactured in the United States, and their scale of profits, even on a smaller volume, generally have been no longer than the profits of companies operating in the United States. The excise duties account for virtually the entire difference in the prices to the consumer and it is argued that a reduction in the taxes and duties to the point where smuggling would no longer be profitable, would accrue to the benefit of the industry, the public and the companies and their shareholders.

The shares have been rising slowly, evidently on the assumption that the day is not far distant when the taxes and duties will be reduced materially.

## Laurentide Buys More Limits in Ottawa Area?

**From Our Own Correspondent**

MONTREAL.—Advices from Ottawa indicate that the Laurentide Company is to augment still further its already large timber holdings on the Ottawa River. It is said that negotiations leading to the acquisition of the MacLachlan mills, at Arnprior, together with that company's extensive timber holdings, have begun. It is not known just how far advanced are the negotiations or how soon the consummation of the deal may be expected. The Arnprior company's timber holdings comprise some 1,600 square miles, located largely on the watershed of the Ottawa River.

The Laurentide Company has opened an office in Ottawa to look after the development of the Hawkesbury and Pembroke lumber companies which it recently acquired.

It was rumored that Laurentide was also negotiating for the purchase of J. R. Booth, Ltd. This company is at Ottawa; it has a capacity of 300 tons of pulp and paper a day. But C. Jackson Booth, the president, has denied that Laurentide is endeavoring to acquire the property.

It is obvious, though, that the Laurentide Company is laying plans for expansion on the Ottawa River and that the time for a definite announcement regarding its plans is rapidly drawing nigh.

# OPERATING PROFIT BACKUS CONCERNS ON LARGER SCALE

## The Minnesota and Ontario Paper Net Totals $2,656,865 in Half Year

A substantial increase in earnings is reported by the Minnesota and Ontario Paper Co., and subsidiary companies for the six months ended June 30, 1927. In that period, net income before depreciation was $2,656,865. Earnings for the calendar year 1926 on the same basis were $4,730,444.

Balance sheet of the company shows that net sales during the first half of the current year totalled $10,055,283, against which there was a cost of $6,868,385, leaving a gross profit of $3,186,898. Debited against this was total of $877,470 for general expenses, which made the net profit on sales of $2,309,428. To this sum there was added income from other sources totalling $347,437.

During this period interest on the funded debt totalled $800,731, depreciation charges, $500,000, and amortization and general expenses $62,413, thus leaving a balance of $1,293,721 on the six months' operations.

As of June 30, 1927, ratio of current assets to current liabilities was 5.09 to 1.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TORONTO, OCTOBER 28, 1927


## INVESTMENT IN GRAIN

THE grain trade of Canada is demonstrating its faith in the future of Canadian wheat by investing between $10,000,000 and $15,000,000 in new elevators during 1927 and 1928. At least 600 country elevators are being built on the prairies at an average cost of between $10,000 and $12,000. Probably as much money additionally will be spent on new terminal storage elevators. The wheat pool is spending some of the money, but the bulk of it is being put up by private interests.

Apart from indicating that the private grain interests of Canada do not fear extinction from wheat pool activities, the investment indicates the faith of the men immediately in the business in the future of wheat growing in Canada.

The growth in Western Canada's wheat-growing is not readily apparent when figures of production from year to year are compared. This is because the yields per acre vary widely under different growing conditions. But a comparison of our wheat position to-day with our status in wheat 27 years ago gives some indication of the possibilities for expansion in production in the future.

In 1900, there were 500 country grain elevators in Western Canada. To-day there are 4,500 and there will be over 5,000 by the end of next year. Canada had 2,000,000 acres under cultivation in 1900. This year there were 22,500,000 acres sown to wheat. The wheat crop was 40,000,000 bushels. This year's crop is 425,000,000 bushels.

The saturation point in production is yet afar off. There are 170,000,000 acres of good arable land in the three prairie provinces and of this, 40,000,000 acres has been sown to wheat and other field crops. A production of two billion bushels of wheat in one particularly good year is a possibility in Western Canada although not a probability in the life of any adult now living. But who will deny that the next generation will not be shipping a billion bushels of wheat a year?

The grain trade knows what it is doing when it invests money in more grain-marketing machinery.

## THROUGH OWN EFFORTS

WHILE United States farmers have been clamoring for laws to restore their prosperity, farmers on the Canadian prairies have become prosperous through their own efforts, despite a tariff which prevents the marketing of wheat in Chicago.

Of course, it may be that nature has been kinder to the farmer north of the 49th parallel than he has been to the farmer south of that imaginary line. But does the United States farmer expect an act of congress to compel Nature to treat him better?

## STRONG ARM STUFF

ON THE walls of a large Toronto brewery appears a painted sign designating the beer made within. It is a very attractive sign and no doubt helps to stimulate business.

The sign is not far from the offices of the Ontario Liquor Commission. Probably the commissioners can see the sign from their offices.

The "Strong Man" of Ontario's government control system, D. B. Hanna, has ruled that there shall be no advertising of liquor in Ontario. But apparently the commission allows breweries to have signs on their premises. If that sign publishes the name of the product of the brewery then it is an advertisement; it is outdoor advertising and there can be no doubt about it. The sign across the road from the Liquor Commission's office is an advertisement even though the liquor commission may rule that it is not.

One Ontario brewery is more fortunate than others in advertising. It makes a full range of beverages, including ginger ale and other soft drinks. It advertises these beverages very extensively. The advertisements, naturally do not point out that the company makes beer. But on the other hand some of them do not mention that the beverages under advertisement are merely soft drinks. It is getting its name across to the public; it is creating a public acceptance of its abilities as a producer of beverages. And if the public buys its beer because they like its ginger ale which they see advertised, so much the better for that producer of soft and hard drinks. The situation is not fair to the other brewers but that is the fault of the law.

The advertising ban is the weakest feature of the Ontario government control measure. It is ineffectual. It is unfair to Ontario firms and it is no particular safeguard to the public morals. It has led to the bootlegging of advertising. It is not a strong man ruling; it is strong arm stuff.

## SOME OMITTED COSTS

SAMUEL S. WYER, the American engineer who published a widely-discussed report on the Ontario Hydro-Electric Commission, is the author of a recent study on the St. Lawrence-Great Lakes Waterways project, which is disseminated for conference work by Fuel-Power-Transportation Educational Foundation of Columbus, O.

There does not seem to be anything very new in the study, except perhaps the emphasis that is placed on certain costs of construction and maintenance of the project which the more optimistic protagonists of the scheme are prone to overlook.

It has been estimated that the cost of the combined power and navigation works along the St. Lawrence would be $394,000,000. Mr. Wyer suggests the addition of several sums.

In the first place, he points out that the construction work would require eight years and approximately $63,000,000 would be expended in interest at 4 per cent. on the total cost for about four years. Secondly, it would cost at least $45,000,000 to improve the connecting lake channels. Thirdly, many further millions would be required to deepen Great Lakes harbors. Lastly, after the project is completed, traffic for a number of years would be in smaller volume than the cost and importance of the work would justify. Existing trade routes would not be quickly or easily changed.

## WELL BLESSED

DO WE Canadians fully appreciate the blessing we have in a stable system of government? Even in this enlightened day, there are many large countries the world over that are threatening volcanoes. The word of a new revolution in Mexico had only a casual interest to the ordinary Canadian, but to the Canadian investor, with money invested in Mexican power or railway companies, the news was unpleasant and ominous. Spain is outwardly tranquil but experienced observers know that the anarchists of Barcelona are likely to break out at any time. South America has occasional revolutions; China is in a state of siege; Russia is exceedingly unsteady yet; Egypt and India have not attained to the ideal in stability of government.

To the investor instability means loss. One example alone will suffice to prove this: Mexican Light and Power common stock would probably be selling at twice or four times its present level if there were certainty of stable government in that country.

Capital is safe in Canada.

## YOUR MONEY'S WORTH

THE sprightly editor of Marketing, Bertram R. Brooker, takes careful aim at the authors of "Your Money's Worth," an American book which is an attack on advertising and the advertised goods.

Mr. Brooker does the job very well, but one wonders if he has not wasted his time. Advertising so often has been proved effective in promoting prosperity, reducing costs and raising quality that the onslaught of Messrs. Chase and Schlink is not to be considered seriously, even though the circulation of the book has passed the 50,000 mark. There will be 50,000 credulous persons, in any event, in such a populous country as the United States.

There will be a few thoughtful individuals, and few factory hands, who will not agree that costs of production are lowered in inverse ratio to increase in volume. There is hardly an individual who is not ready to agree that advertising creates volume. Advertising, therefore, is the prime factor in reducing costs. Selling prices are based on costs, except in a few isolated instances where the effect of serious competition is yet to be felt.

## STREET CARS

STREET railways carry more passengers than ever before but most of them are not making very much money. There is, however, noticed a gradual return towards more profitable operation due to the enforcement of new operating economies and equitable rate adjustments required to meet to-day's conditions.

Street railways have not been replaced by the motor bus. Eight years ago there were a great many people who expected to see all the street car tracks on the continent ripped up while bus lines would be established in their stead. Some tracks were taken up but in many cases these have since been replaced. It has been amply proven that if a modern new city were laid out to-day on an open prairie, provision would have to be made in the working out of its transportation problems for electric street cars running on steel rails. There is no more economical and serviceable form of urban transportation than the street car and for the vast majority of the people it is the only day by day transportation they can afford.

Buses have increased enormously in number. While they have done a great deal to reduce the number of electric cars operating in interurban service their chief function in city traffic has been to supplement the service of the street car lines. Coordinated rail and bus service is now the order of the day. The bus is an auxiliary rather than a competitor of the street car, except in individual centres. In a single city, there will be sections that can best be served by the street car and other sections where the bus will play the important role. Or the bus may start an experimental service, later to be provided by street cars.

The street car is held in far greater estimation to-day than it was five years ago. The street car will always have its place so long as it can carry a passenger five or ten miles for a fare of from six to ten cents. It will always have its place so long as engineering research keeps trolley service up to date. It is doing that now. Lighter cars are being developed. Modern street railway rolling stock is a pronounced improvement upon that in use a few years ago.

## TIMES HAVE CHANGED

THE consumer of anthracite will smile with satisfaction to learn that the anthracite coal industry is worrying about the loss of its markets. Until two or three years ago, the anthracite coal industry was most arrogant in its attitude toward its consumers, its bread and butter, and the customers were sighing resignedly at the thought of continued strikes and continued rising prices. In Canada, especially, was the resignation evident, for the Central area of this country, not only was at the mercy of the anthracite miners when they worked, but were also threatened with an embargo on the fuel when the miners did not work.

Times have changed. Fuels have changed. Where Pennsylvania anthracite was the universal fuel, a half-dozen satisfactory substitutes are available. Anthracite furnaces which never knew the taste of less aristocratic combustibles, now know coke or West Virginia coal, or briquettes, or gas, or Alberta lignite, or Welsh anthracite or oil. Some of these fuels are cheaper and some are not more expensive when the greater convenience is considered.

Anthracite is no longer exclusively the household fuel in the Eastern States or Central Canada. The anthracite industry has discovered that the warnings it received when it was striking against the public should have been heeded then. The industry must give better service, better prices and better quality than it was wont to give, if it is to regain lost markets. The public is not likely again to be under the thumb of a single branch of the fuel industry.

## LOCAL GOVERNMENT

It has been noted frequently that for every decrease in the cost of central government, there are several increases in the cost of municipal, county, provincial or state government.

If the proposed budget is approved, New York City Government in the next year will cost $520,000,000, which is $50,000,000 more than last year's budget, $125,000,000 more than the budget of 1925, and twice the total of the budget of ten years ago. Incidentally, this $520,000,000 is more than it costs to run the Dominion of Canada, including all charges arising out of the war.

Economy in local government is the need.

## SIR HENRY THREATENS NELSON

THE president of the Canadian National Railways visited Halifax last week for a few hours and selected a site for a Canadian National hotel which, according to the Halifax Herald, "will be almost on the terminal docks. It will be within a stone's throw of the car barns, gas plant and power station and directly across the harbor from the oil works. On the east side and from the south it will be unprotected. The rear of the hotel will overlook the terminal yards."

All of which is not a very good advertisement for a Canadian National hotel. Of course, it is possible that many citizens of Halifax regret the venture of the Canadian National into the hotel field in Halifax in view of the fact that much local capital has gone into another first-class hotel, the Lord Nelson, the first sod for which was turned on Trafalgar day. The citizens of Halifax hope that the hotel will be a good investment, but new hotels of this high character are ventures, at best, and it is a tribute to the civic progress in Halifax that the junior money for the project was found so easily. Now comes the Canadian National Railways threatening competition.

The presence of two first-class hotels in Halifax in the next few years probably will mean that neither will operate at a profit. It would have been better business, it would seem, for the Canadian National Railways to have refrained from entering the field second, if it could not get there first.

"$300,000,000 TAX CUT SEEN AS COMPROMISE." But, alas! the date line is Washington, not Ottawa.

# POST-Scripts

RECENTLY a group of western farmers made a trip to Port Arthur to inspect a new grain elevator in which they, as shareholders of a farmer-owned company, were interested. Most of the way to Port Arthur and most of the way back they indulged in a single pastime. It was exactly the same thing most city men would have been doing under exactly the same circumstances.

They played bridge.

This is not momentous but it is significant. The Western farmer is no longer a different person from his city brother. The automobile and the radio have brought the two closely together.

It is doubtful if it is necessary or even advisable for any business man to adopt the unique policy pursued by one Western man in dealing with farmers. This man's business is chiefly with farmers. He has two offices. One is fitted up with Oriental rugs, mahogany desk and chairs, oil paintings, silk hangings and a few other trimmings in harmony. He has another office with a bare, worn desk, a couple of hard chairs hardly out of the cracker box era, spittoons, calendars, when a visitor is announced the business man finds out if he is a city man or a farmer. If he is a city man the visitor is invited into the well-equipped modern office. If he is a farmer, the business man meets him in the cheaper office.

"I had to do it," he explains. "The farmer thinks you are making too much money out of him if you let him see mahogany and silk."

But those days are gone forever.

# Comments

## Remarkable Remarks by Interesting People

Thomas A. Edison.—My experience is that if people generally will reduce their food one-half, they will not lose weight and will have better health.

• • •

U. J. (Sport) Herrman (Chicago mayor's book-burner-in-ordinary) — I'm not going to ask for a historian's help. I'll be my own judge, after conferring, of course, with whoever may be on the committee with me.

• • •

Col. C. H. L. Jones, vice-president Spanish River Pulp and Paper Mills.—Research is now an intimate part of all well-constituted businesses and, indeed, practically every country, including our own fair Dominion, has made it government business, too.

• • •

William E. Dodd, professor of American history, University of Chicago.—Anyone who takes the trouble to examine the school books of twenty years ago will see at once that the present texts are greatly to be preferred. They allow the possibility of some intelligence and some sense of humor in students and teachers, which is more than the inquisitors of Mr. McAndrew (suspended school superintendent) seem willing to allow anybody.

# Book Reviews

### Grain Trade Year Book

Full Canadian grain statistics are contained in the Grain Trade Year Book which has just been published for the seventh successive year. The publication covers the "grain year" that ended July 31st last, and gives much information, largely statistical in character, relating to grain prices, grades, trading, production, exports, etc. Summary tables of production are given for the principal foreign countries producing wheat and the world's production and movement of grain is covered.

W. Sanford Evans is the editor of this valuable publication. Mr. Evans, over a term of years, has built up an excellent reputation as Canada's chief statistical expert in the grain trade. His publications in the grain field are becoming rather numerous and are uniformly thorough and accurate.

The Canadian Grain Trade Year Book sells for $1 and is published by the W. Sanford Evans Statistical Service, Winnipeg.

### Stand to Your Work

Inspirational books are apt to be rather insipid in character, particularly when read in an early morning light. The title of this book by W. Eric Harris, of Toronto, is not happily chosen. It is in a sense a challenge to Canadians to take full advantage of the opportunities the country presents and to that degree the title and object of the book may be justified. But Canadians are likely to object to being aroused to their task by a man who has not been a conspicuously outstanding success in any field of activity.

But if the book falls down as a challenge to effort it must be ranked very highly as a survey of Canadian conditions to-day, economically, socially, politically. Mr. Harris has attained a very remarkable pinnacle of detachment from the Canadian scene and his work therefore displays a lack of prejudice—except regarding Uncle Sam—that is commendable.

Mr. Harris is peculiarly lucid in discussing the chief political parties of Canada whom he considers to be hopelessly entangled in their policies. Liberalism, if it pursued the fundamental doctrines of Liberalism the world over, ought to be the national proponent of the doctrine of free trade, should look with favor upon the development of a closer association with the British Empire and the world in general, should encourage public ownership (though why this we cannot see) and restrict so far as possible legislation affecting the freedom of the individual. The Conservative party should stand for economic nationalism, protection, political nationalism, a drawing away from the Empire. The party should protect private interests and insure the continuance of existing institutions. Of course, the parties pursue no such clear-cut lines. The Conservatives stand for a nationalistic policy economically, but will not admit any risk of a nationalistic spirit politically. These inconsistencies, Mr. Harris argues, are largely responsible for the stagnation of our political life.

Mr. Harris covers a wide field. His book tells something of each province and its problems; of the political parties; the tariff; unemployment, the United States and the British connection. Apart from his bias against the United States, which is somewhat childish, Mr. Harris' viewpoint is in the main broad and sound.

The book is worthy of study by every Canadian. To many it will be an education; to some an inspiration and to others a crystallization of viewpoint.

"Stand to Your Work" is published by Musson Book Company, Toronto, at $2.

# Other People's Views

### Bound to Come

The Financial Post some months ago added a valuable department to supplement its useful financial and industrial news. This is called "The Canadian Mining News."

The attention which The Post has given to the mining activities of Nova Scotia has been noted. Rielle Thomson, associate editor of The Post, has been a welcomed visitor to this Province. He has given in an interview with the Herald an encouraging report on conditions in Nova Scotia as he sees them. He sees an improvement in fundamental and underlying business conditions here. Mr. Thomson's observations on the revival of gold mining in Nova Scotia are worth repeating. He says:

"Nova Scotia needs only money and energy to take its place beside Ontario and British Columbia as a leading producer of gold. New money for gold mining has already begun to flow eastward. The larger mining interests are already developing the mining areas of the province and for the future the flow of financing will increase in growth. The native qualties of the Nova Scotians will ensure that such funds are applied in directions which will bring forth one hundredfold. In other words, Nova Scotia has the backbone for gold mining and the money is bound to come."

The confidence so expressed in the development of gold mining in Nova Scotia is most encouraging, coming as it does from one who is able to gather the trend of the soundest opinion on the subject. This confirms the view of many other competent observers, which is to the effect that given the same chance as the gold fields of other parts of Canada, gold mining here should be made a success—Halifax Herald.

### A Matter of Public Concern

The passing of the Great West Permanent Loan Co., which the Court has ordered to be wound up, is an event of more than local concern.

In financial Winnipeg the end has been anticipated for some years and, generally speaking, the local shareholders have felt for some time that their capital investment had pretty well disappeared.

Mortgage loaning institutions have played a prominent part in the development of the farms and urban centres of Western Canada. Our cities could not have been built, nor our farms developed, without this assistance, and only in very small measure has it been local capital that has been placed by these agencies. Much of it was borrowed by the loaning institutions from people in Great Britain by the sale to them of debentures. Generally speaking, all our larger loaning institutions borrow in that field, particularly in Scotland. Their credit is high and their debentures enjoy an enviable reputation, which the Canadian public has a very definite interest in seeing maintained.

Our information is that the record to this time is perfect. No Old Country investor in the debentures of Canadian loan companies has made a loss.

The funds of the Great West Permanent Loan Company, according to the latest reports, consist of $2,400,000 of shareholders' capital and $2,600,000 of money borrowed on debentures, of which much the larger portion, about $2,000,000 was obtained in Great Britain.

The special independent investigation and report made for the Court by A. S. Bond, Winnipeg manager of the National Trust Company, gives figures which indicate but a small margin of safety for the debenture-holders and if, as Mr. Bond has made clear, these figures are outside figures, the security of the debenture-holders is in jeopardy. Any loss to debenture-holders would be a serious blow to Canadian credit in Great Britain.

The Bond report charges improper practices in the conduct of the business of the company, accuses the directors with using the company for their own purposes and with misrepresenting the true condition of the company in their official reports, and states that, having regard to these reports and that condition, the management and directors have accepted grave responsibility during recent years in inducing investors to purchase debentures.

Public interest demands that the proper authorities should make a searching inquiry into the whole situation, and if improper conduct on the part of directors or others holding positions of trust has contributed to the fall of the company, the Old Country investor and others specially affected should be assured that whatever steps such conduct merits will be taken by the authorities. —Manitoba Free Press.

### Coolidge's Qualified Withdrawal

Presidents are sometimes gifted with special ability in adding to the piquancies and perplexities of the English language. Roosevelt gave us "Byzantine logothete," which he probably found in Gibbon; Cleveland furnished "innocuous desuetude," and now President Coolidge has told us that he does not "choose to run for the presidency in 1928." In the case of the terms used by Roosevelt and Cleveland help could be obtained from an encyclopedia or dictionary; but how shall we find out just what Mr. Coolidge meant when he said he did not choose to run? A man may not choose to do a thing, and yet be forced to do it. Conceivably, a strong movement within the party for his nomination next year might constrain Mr. Coolidge to run, although he had previously chosen not to do so. Not improbably the president intended that construction to be put upon his qualified refusal. Nor could he be justly censured for doing so. His personal choice was not to be a candidate; but if his party drafted him, he could not refuse to serve. Eminent politicians have placed this construction upon the president's statement. Others contend that he is definitely out of the race.

Perhaps the fairest construction of Mr. Coolidge's attitude is that he intended to open the field to other candidates. To say to them, in substance, that if you choose to run, I shall not regard it as personal or political opposition, since I prefer not to be a candidate. Friends of various aspirants to succeed Mr. Coolidge have thus construed the president's statement. Mr. Lowden, vice-president Dawes, Mr. Hughes and Speaker Longworth are names already proposed.


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## Burglary Policies Often Disappoint

Let us suppose that Mr. Merchandiser has laid in a nice new stock of pipes, cigarettes and tobaccos in preparation for a heavy Christmas trade. Two or three nights after the stock is safely deposited in his cellar, a keen but unscrupulous smoker appears at the back door of the establishment and by carefully picking the lock, makes his way into the premises, and shortly after departs quietly and serenely into the night. Is that burglary?

Let us follow our midnight escapade to its logical conclusion.

### Can He Collect?

Mr. Merchandiser arrives bright and early next morning, only to find that his store has been raided during the night and that perhaps $1,000 worth of choice Havanas are missing from his shelves. He immediately goes to his safe and unearths a burglary insurance policy that apparently stands ready and willing to recompense him for his loss.

Can he collect his insurance? According to common practice he cannot, for the reason that the burglary was not a burglary according to insurance parlance.

The moral of this little tale is simply that merchants, storekeepers—in fact anyone who has insured merchandise and stock against burglary—would be well advised to lose no time in reading over their policies and finding out just exactly the sort of protection their so-called burglary policy affords them.

### Must be Force

Take, for instance, our friend Mr. Merchandiser. The policy he carried, and which was the only sort of protection that he could procure, ensured him only against a felonious entry or exit from his premises—**"by actual force and violence, of which there shall be visible marks made upon the premises at the place of such entry, by tools, explosives, electricity or chemicals."** The very fact that the unscrupulous smoker made his entrance by carefully picking the lock, and without leaving visible marks of his entry, precluded the possibility of the policy being paid.

Or then again, if Mr. Merchandiser had shut his back window but had neglected to bolt it, a visit from our friend the smoker would not be considered a burglary.

Once again the moral applies. "Don't be lulled into a sense of false security by thinking that your burglary policy is going to protect you from every kind of felonious entry. Check up your policies before it is too late."

Only a few weeks ago, a Montreal merchant lost a claim for $8,500 that he had instigated against the National Surety Co., on account of a store merchandise policy that he carried with the company.

The policy carried in this particular case, protected the merchant only from felonious entry into his premises, including, of course, the standard proviso that such entry should be marked by "force or violence, of which there shall be visible marks made upon the premises at the place of such entry."

Judge Surveyer, of the Quebec Superior Court, went into great detail to define the meaning of the word burglary, and to point out the various distinctions that had come to be recognized by law since the time of Queen Anne.

### Not for Breaking Out

In this particular case the job had been an "inside one." That is to say, the burglars had evidently secreted themselves in the store and after committing the felonious act had "broken out" of the store with their plunder. Unfortunately the merchant's policy only covered a "breaking in" burglary, and therefore, as there were no visible signs of such entry, the action was lost in favor of the company.

To the average merchant, as to the man in the street, a burglary is a burglary and there never occurs the possibility that a "burglary" policy is only designed to afford one particular kind of protection. According to the dictionary, a burglary is "the breaking into a house by night, with felonious intent," and the distinction is made that the difference between house-breaking and burglary is determined by whether or not the features of the intruder were definable. By day a house-breaker; by night a burglar. Insurance is not concerned, however, with this particular point, because burglary policies are only operative "when the premises are not open for business."


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INQUIRIES INVITED


# *Your Investments*

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published in this column. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write mining, insurance inquiries on sheets separate from other investment inquiries.

### B. A. Oil

I should like your opinion of British-American Oil.

British-American should continue to be a satisfactory investment for a business man.

### Cuban-American Ice

I enclose certificate for share of stock in Cuban-American Ice Co. Has this certificate any value? I believe that the company was merged with another some years ago. You will observe that the certificate is dated 1899.

We are unable to find any record of this company in any manual of operating companies, or of extinct companies. Unless you can learn the name of the company into which this was merged, we think that the search would be fruitless. Perhaps some reader can be of assistance.

### Queen's Park Plaza

Being a reader of your valuable paper I would be pleased to have your candid opinion of the safety of the first mortgage bonds issued on the Queen's Park Plaza.

The first mortgage bonds of the Queen's Park Plaza issued by the United Bond Company of Windsor, are a sound investment. These bonds are issued by a company with a long record of success in financing real estate enterprises and, moreover, are well secured by assets of Queen's Park Plaza Co.

### Mortgage Debentures

Will you give me your opinion of Canada Permanent Mortgage Corporation debentures for five years at 5 per cent., as a safe investment, and also advise if, in your opinion, the above rate on this class of security is likely to hold?

The Canada Permanent Mortgage Corp. debentures are a safe investment.

These debentures are secured by assets of the company issuing them. It is the usual practice for these companies to issue their debentures on the basis of five years with a fixed interest yield. This is done to protect the company against any wide fluctuations in money rates.

### Brewers and Distillers

Brewers and Distillers recently has risen from $10 to $16 the share. Have you any information?

There does not appear to be any exact information in Canada, concerning Brewers & Distillers Ltd., of Vancouver. We have interviewed two members of the syndicate, which placed the issue a year ago, and they confess to be completely in the dark to explain the rise in the value of these shares to approximately $16.

We are informed that there is virtually no stock in this company available in this country at this time. The real market for the stock appears to be in London. There, we believe, the buying has originated and it is suggested that a merger of this company with one of the large British companies may be in prospect.

### Lake St. John Paper

Will you kindly give me your opinion as to the value of Lake St. John bonds as an investment for $5,000?

The first mortgage 6½ per cent. series A, of the Lake St. John Power and Paper Co. is a sound investment.

This company was recently formed for the purpose of exploiting large timber reserves in Northern Quebec and will shortly have in operation a large newsprint mill at Mistassini River, near Lake St. John. It has a contract for the marketing of its newsprint for the next ten years on a sliding scale of prices.

The value of net tangible assets of the company available for the security of the Series A bonds upon completion of the plant has been estimated at over $13,000,000 so that the outstanding first mortgage bonds represent less than 50 per cent. of the total assets.

### Canadian Bronze

Do you consider Canadian Bronze a good investment? Is the common selling too high at the present time? Is there any possibility of a dividend on the common stock?

The company is reported to be in a sound financial position, and earnings for the current year show a substantial increase. The company has a strong directorate, and we consider its stock a good investment for a long hold. In view of the reported progress of the company there is a probability that some dividend may be paid on the common stock during the present year. We do not think the shares are selling too high at the present price, when compared with the prices of other stocks.

### Dominion Stores

I am considering purchasing five shares Dominion Stores, five shares Dominion Textile common or five shares of Lake of the Woods Milling common.

Will you please rank them as to value? I would like appreciation as well as dividend. Is there any other common stock which you would suggest at the present time, or in preference to those mentioned by me?

The outlook for Dominion Stores appears to be highly satisfactory. Dominion Textile is the largest company in the textile industry and its record has been very satisfactory, although the textile industry has been faced with rather serious competition from foreign countries.

The milling industry likewise is faced with rather serious difficulties, but the Lake of the Wods is one of the larger companies and has done very well.

These stocks are in the conservative class and the experience of the investor should be satisfactory.

### National Brick

I see that the preferred shares of National Brick are selling to yield 12.5 per cent. Is the company not in a sound position, or are their preferred dividends not being paid for the stock to sell at that price?

Although the last annual statement showed an improvement in earnings of the National Brick Co., the company cannot be said to provide much attraction for the investor as yet. The stock of the National Brick Co. is divided into $3,339,600 of 7 per cent. preferred cumulative stock of $100 par value and 20,000 common shares of $100 par value. The dividend on the preferred stock was reduced from 7 per cent. to 6 per cent. at the last annual meeting, but the preferred stock dividend is still some 24 per cent. in arrears. No dividends have been paid on the common stock since June, 1914. The earnings of the company have shown a steady improvement over the past few years and it appears that under an alert policy of business administration, the company will eventually be placed upon a sound basis.

### Montreal Island Power

Will you please give me your opinion stock carrying with it a bonus of common of the Montreal Island Power preferred stock?

The preferred shares with their bonus of common of the Montreal Island Power Company, we regard as an interesting long hold purchase for a business man.

As you are aware, the company will not be producing power until the end of 1929, and it will probably be some time after that date before it is making earnings on the common shares.

There are very strong power interests behind the Montreal Island Power Company. The Montreal Light, Heat and Power Consolidated is to absorb the output of the plant.

While the dividends accrue and become cumulative from January 1 next, preferred dividends will not be paid until earned, and as the plant will not be completed until the end of 1929 you need not expect dividends until after that date. Thus, you can see that such an investment must be held for a term of years. If you are in a position to do this you will, in four or five years, obtain probably a satisfactory appreciation through your common stock holdings on the investment.

### Carling's

Would you be good enough to give your opinion of the following stocks at present market? Massey-Harris common, Hayes Wheel, Carling.

What is keeping Carling back in spite of dividends and reported good business?

Your list of common stock holdings is a satisfactory one. The more immediate future appears to have been discounted in the case of Massey-Harris. Hayes Wheel stands a good chance of further appreciation.

The situation in regard to Carling's is somewhat complex. They have an excellent property, well managed, and are making big money. Their dividend rate of 50 cents quarterly will undoubtedly be maintained for some time to come. They have recently built a large storage house for the aging of old stock ale, which will give the plant an added capacity of 120,000 barrels a year.

There are several causes contributing to the fact that Carling stock market value has not appreciated to any great extent since it was issued. However, we look for brighter prospects for this stock in view of the fact that the interests back of this issue are now negotiating for the listing of the stock on the New York curb and on the Detroit Stock Exchange. When this is accomplished there should be a wider interest and more active bidding on the stock.

#### N. S. Has 29,238 Automobiles

Registration of automobiles in Nova Scotia during the present year totals 29,238 auots, or one auto to each 17 persons of the provincial population, as against 25,301 in 1926 and 22,404 in 1925. The total value of this year's cars is set at $20,000,000.


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at 99 and Interest, to yield over 6.05%

**Murray Bay Paper Co. Limited**
Twenty Year 6½% First Mortgage Sinking Fund Bonds
at 100 and Interest, yielding 6.50%

**General Steel Wares Limited**
1st Mortgage 6% Sinking Fund Bonds (Series A) due 1952
at 99½ and Interest, yielding 6.05%
7% Cumulative Preferred Stock
at 100 and accrued dividend, yielding 7%

**Massey Harris Co. Limited**
Twenty Year 5% Sinking Fund Debentures
at 95¾ and Interest, yielding 5.35%

**Fraser Companies Limited**
6½% Fifteen Year Debentures
at 99½ and Interest, yielding 6.55%
with warrants to buy Common Stock

**Shawinigan Water & Power Co.**
Forty Year 4½% First Mort. and Coll. Trust Sinking Fund Bonds (Series A)
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## When Women Invest

### One Allowed Herself to be Dissuaded from Buying Brazilian Traction; Consumers' Gas as an Investment

A Weekly Feature.

About two years ago, a Montreal woman was given $600 in cash by her husband as a present. The family was well to do, the husband a good provider and the woman had the privilege of squandering the cash for furs or trinkets.

Somewhere someone had impressed her with the possibilities of Brazilian Traction common stock. She asked her husband to take her $600 and buy her some shares. Brazilian was then selling around $60.

"I'll do it if you wish," said the obliging husband, "but if you are going to become an investor, why not learn the job yourself? Go to some good investment house yourself, buy the stock, and learn how it's done. Go to Blank, Blanker & Co."

**Merchant, Not Agent**

So to the vicinity of the Montreal Stock Exchange the blithesome lady tripped. Blank, Blanker & Co., is a fine old bond house.

As a bond house interested in original issues, the bond house had certain bonds for sale. As a bond house, it also was not interested in buying stocks for clients. But the lady knew only that the house bore a good reputation, which it deserves.

She was, however, persuaded that she should not buy stocks. She put the $600, which she could have put into a fur coat or on the horse with the pretty name at Blue Bonnets, into bonds of a certain issue which the bond house had for sale at the moment.

**What Might Have Been**

Her bonds which cost her par two years ago are worth 102 at the present moment. Brazilian which would have cost her 60 two years ago would now be worth around 190. She has $612 where she had $600, and she would have had $1,900 where she intended to invest $600.

The blame for this woman's failure to profit by the information which had convinced her of the wisdom of using her $600 to purchase Brazilian lies primarily with the woman. She should not have permitted herself to be dissuaded from her intended course by the gentlemanly young bond salesman. But she is not wholly to blame.

It is hoped that no woman who reads this will be tempted from the realism of true investment into the riskier, even treacherous shallows of speculation and stock grambling. There are many stocks which are sheer gambles and the back townships and city streets are full of salesmen of spurious stocks whose activities the authorities are finding difficulty in curbing. In this case, it probably was proper for the woman to wish to buy a common stock because the money was not an essential portion of her capital of income.

There are reputable stockbrokers and there are brokers not so reputable. It is fairly safe to select a broker who is a member in good standing of one of the recognized stock exchanges. In such circumstances, one is likely, first, to buy a listed stock and, second, to get fair treatment. There are, of course, dealers in unlisted securities who are reliable, but the necessity for closer examination of securities and marketability is more apparent where the stock has not a regular market on the "big board."

Will you kindly inform us if, in your opinion, the stock of Consumers' Gas Co. is a safe investment for a woman, and a good buy at present market price of $192 the share?

The stock of Consumers' Gas Company, Toronto, is a reasonably safe investment for a woman. The yield at present prices is about 5 per cent., and there is an unusually high factor of safety. The dividend of 10 per cent. on the par value of $100 is guaranteed and with Toronto growing and the company so well managed, we believe that the future of the company will be bright.

Shareholders in this company occasionally are given the opportunity to subscribe for additional shares at somewhat below the normal market value. These offers come when the company needs additional capital for expansion.

### Is New Subscriber And is Well Repaid

"I became a subscriber to your paper about a month ago, and on information obtained from your columns, bought Goodyear Tire common, which has paid me well.

"The information contained in your paper each week is invaluable to those who desire to invest surplus funds. The work of your enquiries department is excellent."

—From an unsolicited letter.

#### Settlers Bring Wealth

During the five months ending with August, 12,397 immigrants came to Canada from the United States, bringing with them a total of $5,184,704 in cash and effects. While practically all states of the union contributed their quota, Michigan topped the list with 2,028. As regards occupations, farmers headed the column with 2,872.

## EVERY IMMIGRANT CANNOT BE PICKED FOR SKILLED JOBS

### So-called Barbarians Have Their Place in Progress, Says Observer

From Our Own Correspondent

VANCOUVER. — By lowering the immigration bars a bit to people from Southern Europe, Canada is stealing a march on the United States and at the same time taking a long step towards economic salvation, in the opinion of American business men who have been here recently to attend various finance conventions.

"Any growing country needs a lower strata of population," one of these men told The Financial Post correspondent. "I sometimes wonder where we would be to-day in California if we did not always have the cheap labor market to depend upon. Cheap labor is the direct result of immigration from countries such as Southern Europe, where the standard is generally low, and in our own case in California, from Mexico.

**Immigrants Advance**

"By letting down the bars to this cheap labor you aren't running the risk of flooding your country with a lot of loafers and radicals. Of course, you are bound to get a few, but that applies to immigration from any country and regardless of the standards you may set at the border. There are just as many crack-brained fanatics in the upper strata as in the lower.

"If this cheap labor was content to stay cheap all the time and fail to rise above the level it attained on first reaching this country, I would say that this sort of immigration is a bad thing for any nation. But the compensating beauty of it all is that the natural tendency in humans is to advance. The cheap labor of yesterday is the skilled labor of to-day. The process goes on and on, with the latest arrivals taking the places of those who came before at the bottom of the ladder and gradually working upward. The process may go on indefinitely in a new country like Canada."

"If you are determined to hand-pick your immigrants from the ranks of the skilled workers of other lands you will never have that fundamental element that every country needs for the pioneering jobs. It is ridiculous to expect an intelligent man from the British Isles who is used to work in a machine shop, for instance, to work cheerfully in a road gang, and yet there is nothing in this land much more important than roads and their building. Where are your road-builders coming from if you cut off the supply of common labor? If you force skilled men to take jobs that are beneath them you will have far more unrest than you could possibly expect from a few so-called barbarians working for low wages, but probably the best they ever earned. And if you don't have these barbarians where are you going to find the labor necessary for the barbarians' jobs? Somebody has got to do these, and unless you have these jobs done there will be no room at the top or middle for men of higher intellectual attainments or superior manual skill.

**In Second Generation**

"Down in the California city where I live some of the very finest citizens are the second generation of these so-called barbarians. This second generation represents to-day the big earners, the progressive element, the best investors, the solid background of the community. Their parents still talk with the accent of their homeland perhaps, but you can hardly detect a thing in the makeup of the second generation to suggest that their parents were peasant laborers or sweat factory workers in Naples, Cracow or Trieste.

"Skeptics may tell you that there isn't enough employment to go round; that freer immigration will merely congest the labor market and lower wages. Don't believe it. Population creates labor, creates markets and increases wages. That has been our experience anyway. And don't worry about your new immigrant, even if he looks uncouth with his awkward jacket and huge boots and towselled hair and if he speaks with an unfamiliar tongue.

"Try to realize if you can that your own forefathers probably didn't look so very much more attractive when they first set foot on your country's soil, and that in a few years he will be just an average citizen, industrious and ambitious, raising a family of youngsters who will cherish the same traditions which we respect and who will build our industries and fight our battles.

"Hand-picked, cautious immigration is all right But remember that a country can't progress if everyone is on top and no one is at the bottom. You've got to have the under strata or you're like a building with no foundation."


**Week by week in Canada**

Conducting a national service to investors by mail in Canada and with customers all over the world—we issue a Weekly Review of Financial Affairs (in Canada) which is an important part of our service.

A copy of the issue for the current week will be sent on request.

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## B. C. CITIES ASK FOR UTILITY SUPERVISION

### Municipal Union Believes the Situation Within Power of Province

From Our Own Correspondent

VANCOUVER. — Municipalities of British Columbia will repeat their demand for appointment of a public utilities commission, according to a decision reached at their recent convention in Nanaimo. They are not satisfied with the present form of control over public utilities concerns and desire a more effective method of settling disputes between the cities and the private corporations.

It is now certain that the public utilities question will loom large at the next session of the legislature. Even before the union of municipalities revived the issue, it had been raised by the city of Grand Forks, whose counsel, F. A. McDiarmid, contends that the province already possesses in the provincial water board a tribunal clothed with powers sufficient to enable it to adjudicate in controversies between power corporations and municipalities.

**Live Within Incomes**

A general improvement in the economic status of British Columbia municipalities was voted by Premier J. D. MacLean in his address to the convention. "The municipalities," he said, "are now living within their incomes. Seven years ago the municipalities were far from a healthy condition. Arrears of taxes have been reduced to $3,900,000 and sinking fund shortages, which in 1920 totalled $5,800,000, are now less than $2,000,000. The load on land had been greatly relieved, and pari-mutuel machines and liquor profits have helped in bringing about this relief to the extent of nearly $1,250,000.

"A factor in bettering conditions," he continued, "is better management of public utilities. On the whole, these utilities, so far as the municipalities are concerned, are self-supporting."

The municipalities went on record as favoring a 1 per cent. income tax for school purposes.

#### Invest $6,000,000 in Farms

With the completion of the 3,000 family settlement scheme this year, the British government will have invested $4,500,000 in establishing settlers upon Canadian farm lands. In addition to this the families have brought $1,500,000 with them, according to figures by the department of immigration, so that the total new investment in agriculture as a result of the scheme is at least $6,000,000.


**"Canada and the Cement Industry"**

This booklet outlines the history of the cement industry and its growth in Canada. Copy will be gladly furnished upon request.

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Taking account of the present market price and call provisions of the 7% direct German Government External Loan outstanding and of the current yields obtainable from other German dollar securities offered in this market, these Central Bank 6% Bonds constitute, in our opinion, the most attractive German security available to investors here.

*A circular giving full particulars will be mailed upon request.*

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### DOMINION BANK BRANCH

The Dominion Bank advises the opening of a branch at the corner of Queen Street West and Jameson Avenue, Toronto, to be known as the Parkdale branch.

### BUFFALO QUOTATIONS

| Bonds | Bid | Asked |
|---|---|---|
| Bfo.-Ft. Erie Bridge 7s '55 .... | 108 | ... |
| Do., 8s '45 .................. | 107½ | ... |
| Buff. Gen. Elec. 1st 5s '39 .... | 104¾ | ... |
| Bfo. N. & E. Pow. 5s '30 ...... | 102 | 104 |
| Lockport L. H. & P. 5½ '54 .. | 102½ | 104 |

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# *News of Investment Markets*

## CANADA CEMENT FINANCE PROGRAM NOW UNDERWAY

### Wood, Gundy & Co. Place First Mortgage Bonds on Market

Following up the recent sale of the assets of the Canada Cement Co., Wood, Gundy & Co. are offering this week $20,000,000 first mortgage sinking fund bonds, 5½ per cent. Series A, in the reorganized company, known by the same name. These bonds are being offered simultaneously in Canada and the United States.

This is the third important transaction or consolidation in respect to industrial companies which has taken place this year. The old company was taken over as a going concern and its business success may be judged from the fact that in the past nineteen years it has been the leader in its particular field.

From the few small companies originally acquired, Canada Cement has expanded and to-day has plants, branches and agencies in every important centre in the Dominion. The new company takes over all properties and plants, together with well located areas containing large deposits of limestone, clay and gypsum. etc., as well as various interests and investments in subsidiary companies.

**Assets Near $50,000,000**

Assets of the new company as at September 30th last, are shown as $49,187,659, of which $38,267,500 represents the value of properties. Investments in subsidiary companies total $4,057,651, while advances to subsidiary companies and current assets amount to $6,862,508.

Liabilities include $20,000,000 of first mortgage bonds and $21,000,000 in preference shares, to be presently outstanding. Surplus of assets over liabilities represented by 600,000 shares of no par value common stock is set at $6,043,900, while accounts payable and accrued liabilities total $2,143,759.

While no announcement has been made in regard to the cumulative preference shares, it is understood that they will be issued in the near future. There is talk of giving a bonus of common with the preferred, but an official statement in this regard is lacking.

Particulars of the bond issue follow:

**$20,000,000**
**Canada Cement Co., Ltd.**
**1st Mortgage Sinking Fund Gold Bonds**
**5% Series A**

Dated Nov. 1, 1927. Due Nov. 1, 1947.

**Company**—Incorporated to take over as going concern company of same name, which has been in operation in Canada since 1909 and is the leader in the cement industry. Plants are located at Montreal East, Hull, Belleville, Lakefield, Ont., Port Colborne, Tuxedo, near Winnipeg, and Exshaw, Alta.

(Upon completion of organization)

**Capital**—

| | Authorized | Outstanding |
|---|---|---|
| 1st Mtge. bonds (including registered debenture stock) .... | $30,000.000 | $20,000,000 |
| 6½% sinking fund cumulative preference shares ....... | 25,000,000 | 21,000,000 |
| Common shares (no par value) ....... | 750,000 (shares) | 600,000 (shares) |

**Sinking Fund** — Annual cumulative, commencing Nov. 1, 1930, equal to two per cent. for each of the first five years and three per cent. annually thereafter of all issued bonds of Series A.

**Earnings** — Have increased steadily from year to year. For year 1926, earnings available for bond interest and depreciation total $3,924,891. Higher earnings for 1927 are estimated, based on results in the first nine months.

**Assets**—Fixed assets, exclusive of working capital, is placed at $38.267,500. In addition company will have investments of $4,057,651 and net current assets and advances to subsidiary companies (after deducting all current liabilities) of $4,718,748.

**Management**—Will be in hands of men long connected with the industry and the old company.

**Offer**—Wood, Gundy and Co., at 99 and interest, yielding about 5.58 per cent.

### St. Catharine's Debt Position Outstanding in City Finance

The City of St. Catharines, which is now in the market with a new 4½ per cent. bond issue amounting to $246,000, has a better financial rating than many a city several times its size.

Recent records show that St. Catharines has the lowest per capita debt of any of the nine Ontario cities having a population equal to or larger. The city has also retired and cancelled before maturity out of surplus earnings of the sinking fund, $158,400 of its debentures. The outstanding debt has been reduced and taxpayers have been saved the expense of the future annual debt charges on the amount of the issue cancelled.

It is anticipated that within the next three years over one-quarter of the total debt will mature and be paid and within seven years over one-half of the gross debt will expire and be paid off.

A sinking fund of over 51 per cent. of the outstanding sinking fund debentures of the municipality is already on hand to retire the debts of this type and the instalment debenture issues are retired as they mature each year directly out of taxes.

## *Ontario Bond Bid Illustrates Strong State of Market*

Strength of the current bond market is well illustrated by the sale this week of $24,000,000, 4½ per cent., 30-year serial bonds of the Province of Ontario, at a cost to the province of approximately 4.568 per cent. Not only was there keen interest among Canadian bankers, but many of the important investment concerns across the line participated in the bidding.

This exceptionally good price was undoubtedly influenced by the probable lack of any extensive Federal financing this fall. The Dominion Government has already announced its intention to redeem the majority of its bonds maturing this fall. Consequently the market is particularly free of any large supply of either government or municipal issues. This situation is likely to continue for some little time, which in turn will have a good influence on the bidding for new issues.

## LOOK FOR COUPON RATE UNDER 6% ON INDUSTRIAL ISSUES

### Present Era of Cheap Money and Low Rates, Lends Weight to Belief

If the present trend in money rates continues, good industrial bonds will soon be selling on a 5 per cent. basis.

This is the view taken by bond men who have closely watched the situation. The recent appearance of the Massey-Harris issue with a 5 per cent. coupon is the first to be put on the market. Even in pre-war days of low interest rates, an industrial bond yield of this magnitude was a rarity.

There have been a number of bonds of this type offered to the public this year, with a coupon rate of 6 and 6½ per cent. Even the latter rate is less frequent than was the case a year ago.

There are several factors leading up to the belief that the 5 per cent. rate is not so far remote as some possibly believe. The present era of plenty of cheap money has been largely instrumental in the strength shown by the bond market for the past year or two. Not only is there more money lying in the banks now than ever before, but the earning power of the people is much greater. The money is being largely invested in bonds.

**Good Demand For Bonds**

Demand for all grades has naturally been stimulated by this additional buying power and prices have steadily advanced, governments and municipals being in the lead. Public utilities have been next in popularity, followed by the seasoned industrials. Since the beginning of 1924, the bond value index of the Dominion Bureau of Statistics has advanced from 105 to over 111. The yield has dropped proportionately.

Interest in bonds by investors has also been stimulated by the small yields offered by high grade common stocks. Here, again, market values have advanced so quickly that the yield in a great many instances is under 4 per cent. During September the average yields of 41 industrial and 17 public utility dividend paying common stocks was only 3.99, as compared with about 5 at the beginning of the year.

With this record volume of money seeking investment, it is apparent that common stocks, government and municipal bonds will not attract the average investor, who is looking for yield. The only profitable outlet for these surplus funds always having in view A-1 security, is in the industrial bond field.

## Bonds Called

According to an announcement, the Canadian National Railway has advertised in England an offer of settlement to holders of Grand Trunk Junction Railway Company mortgage bonds. These bonds amount to $938,360, bear interest at five per cent. and mature January 1, 1934. The terms of the offer are that the bonds are to be redeemed next January 1 at 99 for 100 par value. Bondholders must signify assent to this proposal by December 1 next.

## BANKERS PROTEST GOVERNMENT HAND IN FOREIGN LOANS

### American State Department's Action on Prussian Loan is Criticized

Approval of the recent $30,000,000 Prussian loan, after having frowned upon it, has caused considerable adverse criticism among American bankers of governmental interference over private loans to foreign governments and business.

Fortunately such a situation has not arisen in Canada, although the action of the American government has resulted in the transfer of foreign business to bankers in this country. And as long as this attitude is maintained, it is expected that Canada will take an increasingly important part in advancing funds to those nations which have not entered into a debt refunding agreement with the United States.

Developments arising out of the American controversy are of interest to Canadians not only from a pecuniary standpoint, but also from the stand of governmental interference in a matter which is primarily of private moment.

**Moral Responsibility**

It is charged that such sanction or refusal to sanction foreign loans places a moral responsibility upon the U. S. government in that approval of some loans and disapproval of others may lead investors to believe that the former loans are safe while all others are unsafe. The government replies that the department's approval is purely negative and that from the investment point of view, it has even less weight than might attach to a license from a state blue sky commission. Approval, one is led to assume, means only that a proposed loan is not objectionable to the government from a political standpoint.

**Post-war Development**

The idea of granting or withholding approval for foreign loans came about during the period preceding the funding of the war debts owed the United States by Great Britain, France, Italy and other countries. Some officials then took the view that a refusal to sanction private credits to the debtor nations would facilitate the settlement of outstanding loans. Inasmuch as some of the war loans have not yet been funded, the policy has been continued.

Another way in which the "censorship" has been employed is against loans to countries which have a monopoly on certain raw materials and which would employ the proceeds of the loans in an endeavor to control the market and raise the price of those materials. For example, the Brazilian state of Sao Paulo can borrow money against coffee in London, but the American state department would say no to such a loan in New York because Sao Paulo attempts by controlling the movement of coffee, and otherwise, to raise the price.

**Sanction Valueless**

Immediately following the war, when the U. S. treasury was engaged in the huge post-war financing, bankers did not consult with the treasury as to whether loans abroad would embarrass the government in its own program. In some instances, loans were withheld on treasury advice. But it is now contended that the situation is entirely different and that by sanctioning a loan the government places upon it the stamp of its approval.

How little such sanction is really worth from the investor's standpoint is apparent from the disapproval of the German loan last week and its reversal of judgment a few days later. This sudden shift had nothing whatsoever to do with any change in the investment character of the issue.

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# SAYS WATERWAY POINTS HAVE BEEN OVER EMPHASIZED

## Samuel S. Wyer Makes Report on St. Lawrence Canal

Both the advantages and the disadvantages of the St. Lawrence Waterway project have been over-emphasized in the opinion of Samuel S. Wyer, consulting engineer of Columbus, Ohio. Mr. Wyer has made a report on the waterway for the educational foundation of the Ohio Chamber of Commerce.

General features of the waterway are summarized by Mr. Wyer as follows:

1. The Great Lakes are huge nature-made reservoirs representing about one-third of the total catchment basin area, giving an equalization of stream flow that does not exist in any other river system.
2. The general regimen of the river system, its stable banks, absence of silt and ease in maintaining channels are unique. This is in marked contrast to the unstable, silt laden, widely varying, channel changing Mississippi.
3. Eighty-five per cent. of the sea port ocean commerce goes or comes from the general direction of Liverpool, which is as far north of Chicago as New Orleans is south. The general direction of this river is in the direction of this major commerce movement.
4. The river passes through thickly settled parts of both nations.
5. The river plus the lakes has a far inland reach, since Duluth is nearly in the middle of the continent.
6. Most of the channel has been nature-made and the artificial parts are relatively short.
7. The power development would be in parts of both nations that do not have coal supplies.
8. The Niagara and international sections of the St. Lawrence can be developed only by "joint action" of the two nations.

**No Economic Santa Claus**

"There is no economic Santa Claus to supply the money for this project," declares the report. Capital will have to be borrowed and repaid and interest should be added to the "estimated total cost" of $394,000,000.

Omitted cost items in the estimates are interest during construction period; cost of improving channel through the Lakes; deepening of harbors; and operating losses while the power and navigation project is getting on its feet.

Benefits to the farmer have been over-stressed, say Mr. Wyer. Even if the cost of transporting grain were reduced by nine cents the farmer would not get all of this saving, which would in any event be reduced if tolls were charged to make the canal self-sustaining. Freezing in the winter lessen the benefits of the canal.

**Power Can Not Be Bled**

Water power can not be expected to pay for entire navigation costs because there is an economic limit to the investment that can be charged against power development.

Great stress has been laid upon exporting possibilities. Mr. Wyer points out that this will work both ways. European "low-labor-cost" products may be brought back and dumped on markets on this side.

Specifically the canal would do these things, in Mr. Wyer's opinion:

1. Produce 2,500,000 more horsepower at Niagara Falls and 4,000,000 on the St. Lawrence or a total of 6,500,000 horsepower. This is less than the installed capacity, but represents what could be counted upon every hour of the day. This would replace annually 58,000,000 tons of coal.
2. The bituminous coal industry in the United States to-day is over-developed. This power development would replace about 10 per cent. of the total coal we are now mining and would tend, therefore, to intensify the present over-development problem of the industry.
3. Intensify industrial activity along the lakes. Divert traffic from the congested New York harbor and better distribute freight movement on the railroads.
4. Increase the demand for bunker coal on the lake ports and present possibilities of exporting to eastern Ohio and western Pennsylvania coal through lake ports.

## Unlisted Bonds

| | Bid | Asked |
|---|---|---|
| Abitibi Fibre, 6s, 1947 | 97⅝ | 98½ |
| Abitibi P. & P. 6s, 1940 | 104½ | 105¼ |
| Algoma Steel 5s, 1962 | 34½ | 35¼ |
| Alberta Pac. Grain, 6s, 1946 | 98⅜ | 99¼ |
| Bell Telephone 5s, 1955 | 102⅜ | 102⅞ |
| Belgo Can. Paper, 6s, 1943 | 102 | 102½ |
| Brandram-Henderson, 6s, 1936 | 96¾ | 98½ |
| B. C. Pulp & Paper 6s, 1950 | 85 | 89 |
| Brompton P. & P. 6s, 1946 | 99½ | 101 |
| Burns, P. & Co., 6½s, 1943 | 103 | 105 |
| Calgary Brewery 5s, 1942 | 93½ | 94⅜ |
| Calgary Power 5s, 1940 | 93⅛ | 93¾ |
| Canada Biscuit, 6½s, 1946 | 102 | .. |
| Canada Lt. & Pr. 5s, 1949 | 93 | 94 |
| Can. Nor. Power 6s, 1941 | 101⅝ | 102½ |
| Can. Paperboard 7s, 1937 | 98 | 101 |
| Can. Steamships 5s, 1943 | 99¼ | 99¾ |
| Can. Steamships 6s, 1941 | 100⅜ | 101 |
| Can. Steel Foundries, 6s, 1936 | 105¾ | 106½ |
| Davies, Wm., 6s, 1942 | 94 | 95¼ |
| Dominion Iron 5s, 1939 | 33 | 34½ |
| Dominion Pr. and Tr. 5s, 1932 | 98⅛ | 98⅞ |
| Drummond Invest. 6½s, 1938 | 98¾ | 99½ |
| Duke Price 6s, 1966 | 105½ | 106 |
| East Kootenay Pr. 7s, 1942 | 103¾ | 104½ |
| Elec. Development 5s, 1933 | 100⅜ | 101⅛ |
| Famous Players 6½s, 1943 | 101¼ | 102¾ |
| Fraser Co. 6s, 1950 | 100 | 101 |
| Gatineau Power 5s, 1956 | 97⅞ | 98⅜ |
| Gatineau Power 6s, 1941 | 101¼ | 101¾ |
| Howard Smith P. & P. 6s, 1941 | 104 | 104¾ |
| International Paper 6s, 1941 | 102½ | 105 |
| King Edward Hotel 7s, 1944 | 92 | 95 |
| Lake Superior P. & P. 6s, 1941 | 105¾ | 106½ |
| Laurentian Pr. 6s. 1936 | 103¾ | 105 |
| Laurentide Pr., 5½s, 1946 | 101 | 102 |
| Maritime Tel. & Tel. 6s, 1941 | 104½ | 105¾ |
| Manitoba Pr. 5½s, 1951 | 102 | 102¾ |
| Mercury Mills 6½s, 1942 | 102 | 103 |
| Mont. L. H. & P. 5s, 1951 | 101 | 101⅝ |
| Mont. Pub. Service 5s, 1942 | 99⅛ | 99¾ |
| Nor. Ont. L. & P. 6s, 1946 | 101¼ | 102 |
| Nor. West Utilities 7s, 1938 | 100 | 101½ |
| Nova Scotia Steel 5s, 1959 | 59 | 63 |
| Nova Scotia 6% Debs. | 28 | 32 |
| Nova Scotia Tram. 5s, 1946 | 93 | 94 |
| Nova Scotia Tram. 7s, 1952 | 100¼ | 101½ |
| Ont. Pulp & Paper 6s, 1931 | 108¾ | 110 |
| Ottawa Hull Pr. 6s, 1948 | 103⅝ | 104⅜ |
| Ottawa L., H. & P. 6s, 1953 | 104½ | 105¾ |
| Ottawa Mont. Pr. 6½s, 1949 | 104¼ | 105¼ |
| Ottawa Mont. Pr. 6½s, 1949 | 104 | 105 |
| Ottawa Trac. 5½s, 1955 | 101½ | 102¼ |
| Ottawa River Pr. 6½s, 1953 | 102¼ | 103 |
| Port Alfred P. & P., 6½s, 1943 | 104 | 105 |
| Price Bros. 6s, 1943 | 104½ | 105¼ |
| Prov. Lt. Pr. 5s, 1946 | 100¾ | 101½ |
| Rio Tramways 5s, 1935 | 96⅜ | 97 |
| Sao Paulo Tram. 5s, 1929 | 98 | 98½ |
| St. Lawrence Paper 6s, 1946 | 97¾ | 98½ |
| St. Maurice Valley 6s, 1945 | 100 | 101 |
| St. Maurice Pr. 6½s, 1953 | 107¼ | 108 |
| Shawinigan W. & P. 6s, 1950 | 104¾ | 106 |
| Simpson's, Ltd., 6½s, 1945 | 103 | 104 |
| Southern Can. Pr. 5s, 1955 | 99½ | 100¼ |
| Spanish River P. & P. 8s, 1941 | 106¾ | 107¼ |
| West Kootenay Pr. 6s, 1943 | 103¾ | 104¾ |

# BESCO'S FUTURE DEPENDS ON RESULTS OF PENDING CASE

(Continued from page 1)

can be seen that the Dominion Iron & Steel can continue its operations in the usual way, by borrowing from the banks to finance its purchase of raw material and repaying its loans as the raw materials are turned into the finished products. On the other hand, if the bondholders have the prior claim, it is obvious that the banks must accept a second or a third mortgage lien on the goods in process of manufacture and that no more funds will be advanced to the Dominion Iron & Steel by the banks to assist in carrying out its business.

The significant point is that, what with the improved balance sheet position of the British Empire Steel Corp., coupled with the general improvement in the steel industry, it becomes at once apparent that should the courts decide that the banks have the prior claim on the $2,300,000 that Besco, should it desire to do so, could pay the arrears of interest on the bonds of the Dominion Iron and thus bring to a conclusion the long drawn-out fight between the corporation and the National Trust Co.

**Effect of Decision**

While Besco, if successful in this court action, may not again take over the Dominion Iron, nevertheless its ability so to do might end any possibility of the National Trust Co. playing any predominant part in the reorganization of the British Empire Steel Corp., which ultimately will take place. The 1926 report of the British Empire Steel Corp. showed that there remained a net profit of well over $1,000,000, after making allowance for all bond interest changes, including the interest on the bonds of the Dominion Iron. Furthermore, the report shows that the corporation is in a healthy liquid position with working capital well in excess of $12,000,000. More-in this last figure, the accrued interest on the Dominion Iron bonds has been taken into consideration. Then again, earnings this year, both for Besco and for the Dominion iron, show an improvement over 1926 and there seems no doubt that results for the current year will show a betterment over the 1926 figures. Light, therefore, seems to be breaking through the Besco clouds.

**Profits are Unsatisfactory**

It seems to be conceded that with the present tariff, the Dominion Iron cannot make satisfactory profits and it may well be that Besco will make no move to obtain control again of the Dominion Iron until such time as it is on a money-making basis, either through tariff adjustment or through bettered world trade conditions. Moreover, it would not be reasonable to presume that the National Trust would press its claim for the winding up of the Dominion Steel Corp., if, at any moment, Besco could pay off the arrears of the Dominion Iron & Steel mortgage interest. Thus it seems obvious that the case which comes before the courts on November 9th next will decide the winner in the big Besco-National Trust battle.

**National Trust Angle**

Should the courts decide that the banks have a prior claim on the $2,300,000 involved, the National Trust supporters say that Besco's position will in no way be improved. This contention is based on the claim that these funds would then not be applicable to interest arrears on the Dominion Iron bonds and that the liability would have to be met from other sources. But the recent balance sheet and profit and loss account shows that the corporation has very large liquid assets to meet these claims should it desire to do so.

It is pointed out by the protagonists of the National Trust Co. that the "priorities" decision will not affect the case which is to go before the Privy Council, namely, whether or not the Dominion Steel Corp. should go into liquidation. But if by any chance Besco paid off its arrears of interest it would seem that its Privy Council case would certainly be strengthened, to say the least.

Those opposing Besco feel that Besco will have to better its position still further to prove to the courts that it can meet past and future interest on the Dominion Iron bonds, the bonds at maturity and at the same time administer the Dominion Steel Corp. to the satisfaction of the shareholders.

The publication of the 1926 Besco annual report was delayed due to the various legal difficulties in which the corporation was involved with the National Trust Co. The consolidated report includes the operations of the Dominion Iron and reveals clearly the earning power of Besco and its subsidiaries, even when not particularly satisfactory business conditions have obtained.

**Income Account Figures**

The income figures and the working capital position figures over the past three years include unpaid Dominion Iron interest and compare as follows:

| | 1926 $ | 1925 $ | 1924 $ |
|---|---|---|---|
| Op. profit | 4,424,118 | *1,333,442 | 923,774 |
| Dep. & S.F. | 1,461,625 | 1,341,764 | 1,112,515 |
| Balance | 2,962,493 | †2,475,207 | †188,741 |
| Bond int. | 1,748,498 | 1,860,696 | 1,948,496 |
| Balance | 1,213,994 | †4,335,903 | †2,137,237 |
| Bond disc. | 75,526 | 75,526 | 75,349 |
| Net profit | 1,138,468 | †4,411,430 | †2,212,587 |
| Pfd. divs. | ........ | ........ | 145,033 |
| Surplus | 1,138,468 | †4,411,430 | †2,357,620 |
| Prev. bal. | †5,738,018 | †1,326,588 | 1,631,031 |
| P. & L. bal. | †4,599,550 | †5,738,018 | †1,326,588 |

*Operating loss for year.
†Debit.

**Working Capital Position**

| | 1926 $ | 1925 $ | 1924 $ |
|---|---|---|---|
| Curr. assets | 19,766,067 | 17,570,657 | 17,848,917 |
| Curr. liab. | 7,495,872 | 8,033,105 | 4,729,289 |
| Work. cap. | 12,270,195 | 9,537,452 | 13,119,628 |

The balance sheet also reveals an improved position. Accounts receivable show an increase; cash account shows a jump of over $2,000,000; reserves and surplus both show very satisfactory gains, while the bank loan has been materially reduced. Advances secured from the bank by the receiver of the Dominion Iron & Steel Co., amount to $2,244,300, but even taking this figure into consideration, the advances by the bank show a decline.

In his report to the shareholders, Roy M. Wolvin, the president, has this to say regarding the priority claims on the $2,300,000:

"Attention has already been directed to the fact that conditions affecting the bank loans of the Dominion Iron & Steel Co., rather than any deficiency in current resources, were responsible for the failure of that company to provide for the payment of the instalment of interest and sinking fund upon its bonds which matured on July 1st, 1926. Its current assets were very largely in excess of all current liabilities, but doubt had arisen in the minds of the company's bankers as to the company's power to give security upon its products and accounts receivable to the banks in priority to its bond-mortgagees, and, on this account particularly, the banks informed the Dominion Iron & Steel Co. that their loans were in an unsatisfactory condition.

"Upon the appointment of a receiver and manager of the Dominion Iron & Steel Co. the Dominion Steel Corp., as guarantor of the bank loans of that company, agreed that in order not to interrupt operations, the banks might enter into an agreement, in accordance with an order of the court, whereby the receiver and manager might take possession of and realize the accounts receivable and the inventories, and that out of the proceeds an amount sufficient to liquidate their loans should be deposited with the banks pending court decision as to the priority of lien thereon.

"The Dominion Iron & Steel Co. cannot readjust its own affairs, nor can the Dominion Steel Corp. assist it in so doing, without determination of the priority of the lien on these funds and a decision as to Dominion Iron & Steel Company's right under its trust deeds to borrow money from its bankers upon ordinary commercial securities and in the usual course of its business.

"The Dominion Steel Corp. being involved by having guaranteed the loans of the banks to the Dominion Iron & Steel Co., amounting to about $2,300,000, is unable to settle with other creditors until it is determined whether or not the corporation has any liability under its guarantee to the banks.

"Your directors are advised that the lien of the banks is prior to the lien of either the first mortgage bonds or the consolidated mortgage bonds of the Dominion Iron & Steel Co. They have continuously urged the National Trust Co. both as trustee for the bondholders and as receiver and manager of the steel company to facilitate a determination of the priority of these liens, but without success, and only recently after opposition from the trust company the company has succeeded in having the issue entered for trial at the present session of the supreme court in Nova Scotia. A decision affirming the priority of the banks would materially assist in clarifying conditions governing the reorganization of your corporation and its subsidiaries."

## "WEED" THAT BRINGS WEALTH

In connection with the forthcoming public offering of the securities of Ontario Tobacco Plantations, Limited, a sixteen-page booklet has been issued. The pages are filled with historical and statistical information, all gathered from dependable sources, the whole being splendidly illustrated.

# GROUP OFFER BONDS OF ISLAND COLONY

## Canadian and American Bankers Handle Issue of $5,000,000

A new issue of $5,000,000, Government of Newfoundland, 5 per cent. gold bonds, due December 31, 1952, is being offered in Canada by McLeod, Young, Weir & Co., and in the United States by E. H. Rollins & Sons, Lehman Bros., Kountze Bros., at 100.50 and accrued interest.

These bonds will be the direct obligation of the government and will be exempt from all present or future taxes imposed. According to the latest available figures the total funded debt of the Newfoundland Government, including the present issue, is $77,017,933.

Newfoundland has not been noted ever since the days of Cabot for its fisheries—the most valuable in the world—but it is only in recent years that cognizance has been taken of its other natural resources. It has valuable iron ore deposits and large water power, forest and pulpwood resources. In these it has a magnificent source of wealth.

The pulp and paper mills of the Northcliffe interests at Grand Falls cost over $1,000,000 and have a capacity of over 200 tons of newsprint a day. The International Paper Company has recently entered Newfoundland on a gigantic scale, taking over the Newfoundland Pulp and Paper Co. and its large plant at Cornerbrook. This plant has a present daily capacity of 400 tons of newsprint and will be enlarged to 600 tons capactiy. The International Paper Co. has agreed with the Government of Newfoundland to spend at least $15,000,000 in enlarging and developing these properties. With such developments proceeding, the ancient Colony would appear to be in line for a period of expansion and prosperity.

## This Week's Bond Sales

**TOWNSHIP OF EAST FLAMBOROUGH**

An issue of $60,000, five per cent.. 30-instalment bonds, issued jointly by the Township of East Flamborough and the Village of Waterdown, has been awarded to Dyment, Anderson & Co., on a bid of 100.37.

**TOWN OF GREENFIELD PARK**

Bray, Caron & Dube have been awarded an issue of $95,000, Town of Greenfield Park, Que., 5½ per cent., 15-year serial bonds at 100.11, the money costing the town 5.48 per cent. The bids were:

| | |
|---|---|
| Bray, Caron & Dube Limitee | 100.11 |
| Municipal Debentures Corp. | 99. |

**CARLTON PLACE**

An issue of $42,000, 5 per cent., 30-year bonds of Carleton Place has been awarded to W. L. McKinnon & Co. on a bid of 99.60, which is equal to a cost basis of 5.03 per cent. The bids were:

| | |
|---|---|
| W. L. MacKinnon & Co. | 99.60 |
| A. E. Ames & Co. | 99.55 |
| Dyment, Anderson & Co. | 99.47 |
| C. H. Burgess & Co. | 99.44 |
| McLeod, Young, Weir & Co. | 99.29 |
| Wood. Gundy & Co. | 98.90 |

**NIAGARA FALLS**

C. H. Burgess & Co. were the successful tenderers for an issue of $138,024, City of Niagara Falls, Ont., five per cent., 10 and 20-instalment debentures on a bid of 99.57, the money costing the city 5.05 per cent. The bids were:

| | |
|---|---|
| C. H. Burgess & Co. | 99.57 |
| Gairdner & Co. | 99.57 |
| A. E. Ames & Co. | 99.53 |
| J. L. Graham & Co. | 99.52 |
| Fry, Mills, Spence & Co. | 99.385 |
| Wood, Gundy & Co. | 99.35 |
| McLeod, Young, Weir & Co. | 99.28 |
| Matthews & Co. | 98.85 |

**PROVINCE OF ONTARIO**

The issue of $24,000,000, Province of Ontario, 4½ per cent., 30-year serial bonds was awarded to a syndicate composed of National City Co., Dominion Securities Corp., A. E. Ames & Co., Wood, Gundy & Co., and Dillon, Read & Co., on a bid of 99.3079, or on a cost basis of 4.568 per cent. The bonds, which mature $800,000 annually, Nov. 1, 1928-57, are payable in Canada, New York and London. The bids were:

| | |
|---|---|
| National City Company, Dominion Securities Corp., A. E. Ames & Co., Wood, Gundy & Co., Dillon, Read & Co. | 99.3079 |
| Bank of Montreal, Bank of Nova Scotia, Dominion Bank, McLeod, Young, Weir & Co., Kerr, Flemming & Co., Matthews & Co., Hanson Brothers, Lee, Higginson & Co., First National Bank, Redmond & Co., Bankers Trust Co., Solomon Bros. & Hutzler, Clark, Dodge & Company | 99.1933 |
| Royal Bank, Canadian Bank of Commerce, Blair & Co., Equitable Trust Co., Chase National Bank, Royal Securities Corp., R. A. Daly & Co., Fry, Mills, Spence & Co., Cochrane, Hay & Co., Wells, Dickey & Co. | 99.103 |

## Tenders and By-laws

**Nov. 12, Township of Osnabruck—$7,458, 5%, 20-year debentures. Willis O. Sheets,** clerk.

**Oct. 31, School Commissioners of the City of Cap de la Madeleine, P.Q.—$120,000, 25-year,** 5 per cent. debentures. J. O. Loranger, sec.-treas.

**Oct. 31, Municipality of Les Escoumains, P.Q.—$18,000, 5½ per cent. serial bonds.** Johnny Boulianne, sec.-treas.

**Oct. 31, St. Catharines — $246,000, 4½ per** cent., 10 and 15-year debentures. S. K. Watt, treas. (See announcement on page 16).

**Nov. 8. Town of Port Alfred—$25,000, five** per cent. serial bonds. J. H. Bouchard, sec.-treas.

# Malagash Salt Bonds Are Now Being Offered

**From Our Own Correspondent**

MONTREAL.—The Halifax investment firm of W. F. Mahon & Co. is making an issue of bonds which is of particular interest to the Maritime Provinces, marking, as it does, the expansion of a promising Maritime industry. The company is the Malagash Salt Co. and $500,000, 6½ per cent., first mortgage, twenty-year, sinking fund bonds are being offered at par, carrying a bonus of four shares of no par value common stock with each $1,000 bond.

Particulars of the issue follow:

**$500,000 Malagash Salt Company**
**6½% First Mortgage Sinking Fund Bonds**
**Dated: Aug. 1, 1927 Maturing: Aug. 1, 1947**
**Capitalization:**

| | |
|---|---|
| 6½% bonds | $500,000 |
| N. p. v. common | 10,000 shs. |

Authorized and outstanding.

**The Company:** A salt mine in Nova Scotia has steadily expended its output since its inception in 1917. The company owns the mining rights of nine square miles of land at Malagash, N. S. The salt which comes from the mine is of a very high grade and clean and pure. The Canadian National Railways, after investigating the future possibilities of the company, constructed a nine mile branch railway to the plant, which is located on tidewater. Thus the output can be shipped at low cost.

**Earnings:** Estimated in 1928 at $48,000.

**Future of the Industry:** Salt consumption in Canada has increased steadily. The company is located nearer than its competitors to one of the chief markets for salt on this continent, namely the Newfoundland and Maritime fish packing industry. Considerable business has already been secured in the province of Quebec, and export business has also been secured with the New England States and with Newfoundland.

**Security:** The bonds are secured by a first mortgage on all the fixed assets of the company.

**Sinking Fund:** Commences 1932 when 2 per cent per annum will be set aside to retire the bonds.

**Purpose of Issue:** Approximately half of the proceeds of the issue will be used to acquire additional lands and to provide additional equipment and machinery. The remainder of the issue will not be sold, but will go to the original investors in the project.

**Offered:** October, 1927, by W. F. Mahon & Co. at par, carrying a bonus of four shares of no par value common stock with each $1,000 bond.

## BOND MOVEMENT OF THE WEEK

Week Ending October 25

| Bonds | Int. Rate | Due | Yield | Range 1926 High | Range 1926 Low | Range 1927 High | Range 1927 Low | Ask | Latest Price Bid | Latest Price High | Latest Price Low |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Asbestos, gen. mtge. | 6 | 1956 | 6.24 | 88¾ | 81¼ | 97⅞ | 88 | 96¾ | 95⅝ | 96¾ | 96¼ |
| Cons. Rubber | 6 | 1946 | 5.74 | 103 | 100 | 103½ | 102½ | .. | 103¾ | 103 | .. |
| Dom. Iron | 5 | 1929 | 9.91 | 94 | 86 | 92 | 69 | 87¾ | .. | 87½ | .. |
| Mont. Trams "A" | 5 | 1955 | 5.18 | 95 | 92½ | 97¼ | 94¼ | 97 | 96⅝ | 97¼ | 96½ |
| Do., 1st mtge. | 5 | 1941 | 5.02 | 98½ | 93 | 100 | 97⅞ | 100 | .. | 99¾ | .. |
| Ontario Steel | 6 | 1943 | 5.81 | 101¾ | 100¾ | 102 | 102 | .. | 102 | 102 | .. |
| Porto Rico Rlys. | 5 | 1936 | 5.83 | 89¾ | 89 | 93¾ | 90 | .. | 90½ | 93¾ | .. |
| Quebec Rly. | 5 | 1939 | 4.89 | 100⅞ | 96 | 101 | 96 | .. | 101 | 101 | 100¾ |
| Wayagamack | 6 | 1951 | 5.92 | 100⅝ | 90 | 101 | 97 | 101 | 100¾ | 101 | .. |
| War Loan | 5 | 1931 | 4.45 | 102.40 | 100.35 | 102.00 | 100.75 | 101.85 | 101.70 | 101.95 | 101.85 |
| Do. | 5 | 1937 | 4.45 | 104.95 | 102.75 | 105.90 | 102.95 | 105.90 | 105.50 | 105.60 | 105.45 |
| Victory Loan | 5½ | 1927 | 4.80 | 102.50 | 100.15 | 101.70 | 99.75 | 100.10 | 99.90 | 99.95 | 99.75 |
| Do., | 5½ | 1933 | 4.50 | 106.35 | 103.20 | 105.75 | 105.20 | 105.50 | 106.40 | 105.55 | 105.20 |
| Do., | 5½ | 1934 | 4.89 | 104.40 | 102.65 | 103.90 | 103.30 | 103.70 | 103.55 | 103.70 | 103.50 |
| Do., | 5* | 1937 | 4.47 | 109.30 | 106.70 | 109.80 | 106.85 | 109.90 | 109.60 | 109.80 | 109.70 |
| Do., renewal | 5½ | 1927 | 4.85 | 101.95 | 100.00 | 100.80 | 99.90 | 100.10 | 99.90 | .... | .... |
| Do., renewal | 5½ | 1932 | 4.83 | 103.90 | 102.00 | 103.55 | 101.85 | .... | 103.00 | 102.95 | 102.70 |
| Do., refund | 5 | 1928 | 4.60 | 96.95 | 99.85 | 101.45 | 99.75 | 100.30 | 100.05 | 100.35 | 100.00 |
| Do., refund | 4½ | 1940 | 4.50 | 96.95 | 95.60 | 100.15 | 96.50 | 99.90 | 99.85 | 99.90 | 99.45 |
| Do., refund | 5 | 1943 | 4.66 | 102.80 | 102.30 | 103.90 | 102.30 | 103.90 | 103.65 | 103.90 | 103.50 |
| Do., refund | 4½ | 1944 | 4.52 | 97.15 | 95.70 | 100.10 | 96.60 | 99.95 | 99.65 | 99.75 | 99.60 |
| Do., refund | 4½ | 1946 | 4.51 | 96.90 | 95.65 | 100.30 | 96.70 | 100.00 | 99.70 | 99.85 | 99.60 |

# WEEKLY RECORD OF FINANCING IN CANADA

**SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS**

| Place | Date Sold | Sold To | Rate | Maturity | Amount | Price | Cost Basis |
|---|---|---|---|---|---|---|---|
| **Municipal** | | | | | | | |
| Niagara Falls | Oct. | C. H. Burgess & Co. | 5% | 10 & 20-yr. | $138,024 | 99.57 | 5.05 |
| East Flamborough Twp. | Oct. | Dyment, Anderson & Co. | 5% | 30-ins. | 60,000 | 100.37 | 4.97 |
| Carleton Place | Oct. | W. L. McKinnon & Co. | 5% | 30-yr. | 42,000 | 99.60 | 5.03 |
| Greenfield Park, Que. | Oct. | Bray, Caron & Dube | 5½% | 15-ser. | 95,000 | 100.11 | 5.48 |
| **Provincial** | | | | | | | |
| Ontario | Oct. | National City, Dom. Securities and Syndicate | 4½% | 1928-57 | 24,000,000 | 99.3079 | 4.568 |
| **Government** | | | | | | | |
| Newfoundland | Oct. | E. K. Rollins & Sons, Lehman Bros., Kountze Bros., McLeod, Young, Weir | 5% | 1952 | $5,000,000 | 98.513 | ... |

**OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES**

| Bond Issues— | Date Issued | Offered by | Rate | Due | Amount | Price | Yield |
|---|---|---|---|---|---|---|---|
| Canada Cement | Oct. | Wood, Gundy & Co., and Royal Bank | 5½% | 1947 | $20,000,000 | 99 | 5.58 |
| **Stock Issues—** | | | | | | | |
| Federal Investment Trust | Oct. | Williams, Partridge & Rapley, Can., P. R. Whiting & Co., and Federal Deb., U.S. | 6% | Pref. | $8,000,000 | $25 | ... |


New Issue

**Canada Cement Company**

**First Mortgage Gold Bonds, 5½% Series "A"**

**Due November 1st, 1947**

Capital and semi-annual interest payable at the holder's option in Canada, in United States or in England

These Bonds, of which $20,000,000 are at present issued, are secured by a first mortgage on $38,267,500 of real and immovable properties. Net earnings, on the basis of the nine months ended September 30, 1927, are estimated for the full year 1927 to amount to four times the interest requirements. The Canada Cement is one of the largest manufacturers of cement on this Continent.

**Price: 99 and interest to yield about 5.58%**

*Circular on request*

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Consult us relative to your German, Hungarian and Austrian Stocks and Bonds, to permit of our advising the part of your holdings that should be sent for conversion into the new monetary unit.

*If interested we may also quote you the market on all your holdings whether Foreign or Domestic. Correspondence invited.*

All Foreign Stocks and Bonds
Bought Sold Quoted

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LIMITED
120 St. James Street, Montreal

**6½%**

**SECURITY THAT STAYS and GROWS**

Every issue of United Bonds is secured by first mortgage on a property the value of which is nearly double the amount of all the bonds at the time they are issued.

As certain of these bonds mature, year after year, and are paid off, the amount of the indebtedness against the property becomes smaller. Yet the original first mortgage remains in force until the very last bond becomes due and is paid.

Thus, year by year, the margin of security behind these bonds grows proportionately greater.

**UNITED FIRST MORTGAGE BONDS**

United Bond Co. Ltd.
302 Bay Street, TORONTO
Security Building, WINDSOR

COUPON

United Bond Company, Ltd., Dept. 18,
302 Bay St., Toronto, or Security Building, Windsor.
Without placing me under any obligation whatever, send me copy of your booklet, "Through the Doorway of Honesty."

Name ..............................
Address ..............................
..............................

# What is More Sound Than a Sound Security?

Q. What is more sound than a sound security?
A. 100 sound securities.
Q. Why?
A. Because you multiply by 100 the safety of one sound security. Nothing conceivable could happen to disturb the essential safety of an investment "spread" over 100 sound securities — when they are considered the 100 best in the United States.
Q. How can an investment of as little as $125 be "spread" over 100 sound securities?
A. $125 will buy 5 shares of the 6% Preferred Stock of Federal Investment Trust, Incorporated. This Trust owns 100 of the soundest securities on the New York Stock Exchange. It puts the strength and earnings of 100 great American companies squarely behind your investment.
Q. How can full information about Federal Investment Trust, Incorporated, be obtained?
A. By filling in and mailing the coupon below.

**Williams, Partridge & Rapley, Limited**
171 St. James Street, Montreal

WILLIAMS, PARTRIDGE & RAPLEY LIMITED,
171 St. James Street, Montreal.
Please send me without obligation, full information about Federal Investment Trust, Inc.

*Name* ..............................
*Address* ..............................

# Municipal Income Tax

## Its Strengths and Weaknesses and Possible Substitutes

By JOSEPH E. HOWES,
Assistant Director, Citizens' Research Institute of Canada.

*Some Chapters from The Financial Post Government and Municipal Survey shortly to be published.*

ARTICLE THREE

Supposing it were admitted that the municipal income tax failed in practice to perform what it was thought it would do in theory, that it was in some manner unjust to the salaried man, and that it was not uniformly enforced and, therefore, should be given up, what alternatives offer? Either some other imposition would have to be made to supply the deficiency in municipal revenue thus created, or the burden now borne by income would have to be transferred to real property. The idea of devising new taxes to supply the revenue now obtained from taxation of income can be dismissed without lengthy consideration inasmuch as habitation or other taxes which might be thought of, have even more glaring defects than the income tax. The real alternative then is the placing of the whole burden on real property. Again, let us consider the case of Ontario municipalities, to see how this would work out.

### 1. How Would This Change Affect the Small Householder?

There can be no doubt but that the abolition of the income tax and the shifting of the burden to real property would increase the taxation of the small houseowner. It is possible that tenants might not feel the full change inasmuch as the law of supply and demand is a considerable factor in the fixing of rents. We, in Ontario, and in Canada, for that matter, are apt to speak proudly of the percentage of our citizens who own their own homes and it is a recognized fact that it is good public policy to encourage people to be home owners. Reference to the table previously given shows that in the cities, for example, the income assessment forms a percentage of the total assessment varying from 2.2 per cent. say to 10.3 per cent. and the abolition of the income assessment would increase the rate in the same degree presuming the average rate was increased three mills. The small house owner with property assessed at say $3,000 would most likely pay no municipal income tax inasmuch as the exemption under the Act is for $3,000 plus $400 for each child. The abolition of the income tax would, in this case, therefore, increase the householder's municipal tax bill by $9. Again, under the income tax the householder with a large family of dependent age receives a proportionately larger exemption. He, however, requires a larger house than a householder without a family. If all the burden is put on real estate no allowance is made for this and he will, therefore, have to bear an additional burden. Taxpayers with a medium-sized income living in moderately priced homes, therefore, stand to have their direct taxes increased by the abolition of the municipal income tax.

### 2. How Would it Affect the Owner of an Expensive Home?

As far as his personal taxes are concerned, it would seem that the owner of a more expensive home would stand to benefit by the shifting of the burden to real property, presuming he was the possessor of a proportionate taxable income. Supposing a man was the owner of a home assessed at $20,000, the head of a family with two dependent children and in receipt of a $7,000 income. If the abolition of the income tax increased the tax rate say from 30 to 33 mills, which would be about the minimum average increase in Ontario cities, it would create a shifting of taxes as follows: Income tax now, $111, after abolition zero, real property tax now $600, after abolition $660. Total saving $51. The saving among this class in any given case would vary in proportion to the relation of the size of the income to the assessment of real property owned. It should be remembered, however, that the increased rate on the business property of persons in this class, may many times offset the savings made on residential property. Then again, a person whose income is now wholly derived from Ontario mining stock or other sources exempt under the Act, would be penalized by the change. It is also possible that in the above case, a man living in a high-class residential community might pay higher taxes if the income tax is abolished. In Forest Hill village, for example, 25.1 per cent. of the total assessment is upon incomes. The abolition of this tax would increase the rate from 28 mills to about 35 mills. The householder above would save $103.60 in income tax and pay $140 more in real property taxes, thus having his tax bill increased $36.40 by the change.

### 3. How Would it Affect Business Property?

The abolition of the municipal income tax would increase the direct burden on business inasmuch as the rate would be increased on real property and also on the business assessment, which in Ontario is based on real property. Income from business is not taxed until it is greater than the business assessment and in the general case of incorporated companies, not until it reaches the shareholder in the form of dividends.

Business property, therefore, would tend to have its burden increased in proportion to the amount by which abolition of the income tax increased the rate. It is possible that money now paid in income taxes would be spent in the purchase of goods and thus so increase business that higher direct taxes on business could be more easily borne.

### 4. How Would it Affect Investment in Real Property?

If the whole burden of municipal taxation is placed on real property there is no doubt but that the capital value of such property would tend to decrease at least temporarily. If other investments offer a greater return, why would people seek to own real property? Would it not be much better to invest in stocks and bonds, the income from which would not be taxable, and avoid as much municipal taxation as possible? Any lack of demand would tend to lower real estate values.

### 5. How Would it Affect Borrowing Power?

Insofar as borrowing power depends on total assessed values, it would naturally be lessened by the abolition of Income Assessment. It is possible that a smaller taxable assessment might lead to lower prices being paid for bonds of any particular municipality and in this way increased interest charges would lead to proportionately higher taxation. That the change would bring this about is a highly debatable point.

### 6. Would the Abolition of Municipal Income Tax Call for the Abolition of the Business Tax?

Owing to the supplementary nature of these taxes and the origin of the principle applied, it would seem that if the tax on "intangible" personal property (income) was abolished, the tax on "tangible" personal property should be abolished also, (i.e.) the Business Tax. It would, at least, have to be modified considerably, since it would not be just to tax the income of a person derived from his business (for that is what the present combination of income and business tax aims to do) and exempt from taxation income of a person derived from investment in stocks and bonds? Then how far should we go in this abolition of assessment? Should we tax buildings, which after all are but another form of destructible wealth, or should we go further and only tax land values, as is advocated by the followers of the single tax theory? These are questions worthy of consideration before steps are taken to abolish the municipal income tax.

### 7. What Class of Property Has Been Most Able to Bear the Increased Municipal Taxation of Recent Years?

It is a well-known fact that all governmental taxation has increased materially during the last ten years and Municipal taxation has been no exception to this rule. The increase has been caused by two main factors: (a) A general increase in costs; (b) The citizens demand for new or increased activities on the part of the government. Increased services cause increased expenditures, which in turn must be met by increased taxation. There is no indication that this trend has altogether run its course. Which class of property is best able to produce the increased revenue required? Is it real property? Reports of nearly all recent tax commissions contain some such clause as the following: "New sources of revenue must be sought in order to stop the increase of the tax burden on land." Mayor Cater of Brandon stated: "The burden imposed by the high tax rates on real property is now intolerable. There must be some other source of revenue provided to relieve real property." Similar statements have been made in other Canadian cities. Which class of property is most able to bear the increasing burden in Ontario? An examination of the table below shows that in the period 1917-1925 in Ontario cities, municipal taxation increased 84.4 per cent. On the other hand assessment of real property increased 43.2 per cent., of business 53.7 per cent. and income 241.5 per cent. In the Ontario towns and villages taxation increased 108.7 per cent., the assessment of real property 44.1 per cent., business 46.5 per cent. and income 32.2 per cent. Income taxation increases were made in the face of increased exemptions allowed.

TOWNS AND VILLAGES

| Assessment | 1917 | 1925 | % increase |
|---|---|---|---|
| Real Property | $ 218,282,307 (1) | $ 314,641,834 | 44.1 |
| Business | 20,503,864 | 30,028,792 | 46.5 |
| Income | 9,157,503 | 12,194,812 | 33.2 |
| Total | $ 247,943,674 | $ 356,865,438 | 43.9 |
| Taxation | 7,655,989 | 15,976,825 | 108.7 |

CITIES

| | 1917 | 1925 | % increase |
|---|---|---|---|
| Real Property | $ 943,938,807 | $1,351,123,363 | 43.2 |
| Business | 101,715,464 | 156,347,295 | 53.7 |
| Income | 35,063,734 | 119,721,388 | 241.5 |
| Total | $1,080,718,005 | $1,627,192,046 | 50.6 |
| Taxation | 31,169,598 | 57,465,186 | 84.4 |

After making adjustments due to the fact that three muncipalities, Oshawa, Owen Sound and North Bay, listed as towns in 1917, were cities in 1925. Figures from reports of Bureau of Municipal Affairs.

It would seem from this that "income" is at least equally able with real property and business to bear its burden of increased municipal expenditure.

### 8. What of the Future?

In these articles an attempt has been made to present all sides of the operation of the municipal income tax, particularly as applied in Ontario. Whether its defects will arouse public opinion to the extent that its abandonment is demanded is doubtful. Society and business tend to become more, rather than less, complex as time goes on and, while the placing of all taxation on real property would be a more simple method, should complexity be avoided if it is to be at the expense of justice? Accumulated wealth tends more and more to assume an intangible form. Should real property, a visible manifestation of wealth, be singled out as the one thing which should bear all municipal taxation? Would real property owners consent to the move?

It is possible that the present method of taxing income for municipal purposes may be modified. A flat rate on income, rather than the mill rate of each municipality, would be more just and tend to overcome some of the present difficulties. Assessment of real property is a matter of the Assessor's judgment, whereas the amount of income is a fixed sum. If the assessor undervalues real property, the income taxpayer is penalized by an unduly high rate. A flat rate would overcome this. It is also possible that an authority with a greater economic scope than the municipality should levy the tax. Income taxes are payable under present law at the residence of the taxpayer.

### Could Services of Dominion be Used?

The Dominion authorities now receive a return of incomes. It is possible that the Dominion authority could levy an increased amount and return it, less collection costs, to the municipality in which the taxpayer is resident? It is realized that great and numerous difficulties stand in the way of realization of this development, such as the fact that municipal income tax is not universal, that the present bases of the taxes differ, that vested interests exist, etc., but it could be accomplished if demanded by the citizens. Something along this line has already been done by arrangement, between the Commonwealth and States of Australia with an apparent decrease in costs. Even if costs were not decreased, it would at least save the citizens the annoyance of making two returns of income of number of employees, salaries and dividends paid, etc., and from this standpoint alone would be worthwhile.

### Vancouver Pool Elevator

The Alberta Wheat Pool has let contract for its terminal elevator at Vancouver which will cost a million, have a capacity of 2,500,000 bushels and will be ready for the 1928 crop.

A REGULAR INCOME—

*month by month is what a man would choose to leave for his family.*

A lump sum is too easily dissipated. No matter how wise and thrifty a woman may be in the management of her household, her experience, as a rule, has not fitted her for the executorship of a will, the settlement of an estate, the handling and investing of life insurance. Lacking the facilities to carry on the work easily, she finds the task a heavy burden.

Assure her a regular income by placing your estate in trust for her.

Though the estate comprises real property, securities, life insurance and a going business, The Canada Permanent has facilities and experience to handle them all to the best advantage.

This is the most economical and surest way to make the estate which you have accumulated provide permanent comfort for your family.

We suggest you talk it over with a Canada Permanent Executive.

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WE wish to announce that

Mr. E. P. Crossen, B.A.

has joined our organization in the capacity of Manager of our Statistical Department.

Mr. Crossen, a graduate of Toronto University and Columbia University in the Departments of Commerce and Finance, has been engaged in statistical and research work with the Port of New York Authority and the U.S. Federal Government during the past five years.

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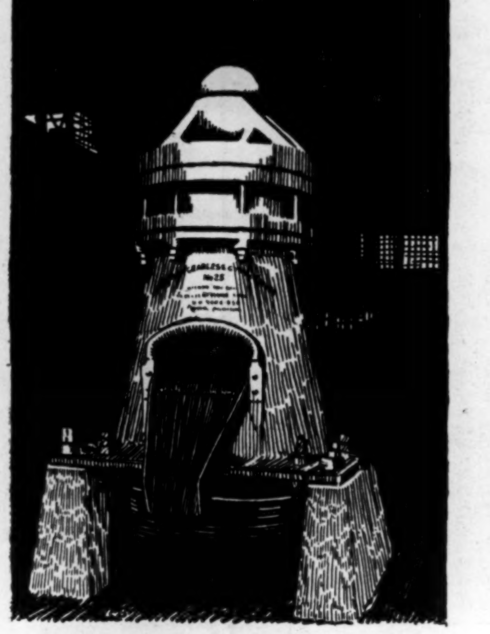

Kennedy No. 25 Gearless Gyro Crusher for Porcupine Paymaster Mine.

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Any Kennedy Gearless Crusher is guaranteed to produce double the capacity of any geared crusher of equal size and save 80% in maintenance with decidedly less power. Being gearless, they run at great speeds from a single belt or rope drive, they are practically dust-proof, and will handle perfectly both dry and wet ore and rock.

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# CORPORATE TRUST EXECUTOR BETTER THAN INDIVIDUAL

## Solidarity of Company is Proven as Best in Recent Years

The idea of will making is very old. The right to make a will and to determine who shall possess one's property after death has come to be looked upon almost as a natural right. But it is not that at all. It is a right won ages ago by bitter combat and confirmed by ancient law.

From the times of remote antiquity there are records of will making and of executors who saw to the carrying out of the provision of those wills. Even the idea of trusteeship may be traced to ancient times.

Through all these ages the individual has acted for his friend or relative as executor or as trustee, and while for the most part the trust has doubtless been accepted with a profound sense of responsibility, the path of the individual executor and trustee is literally strewn with mistakes, bitter family quarrels, and too aften, unretrieved loss of family fortune.

With the growing complexities of modern business, investment, finance, and taxation, the task of the individual executor has become more and more difficult. It was to overcome the handicaps and deficiencies of the individual that the corporate fiduciary was brought into being.

**Corporate Fiduciary Young**

The history of the corporate fiduciary has been written very largely in the past twenty-five years, a very short time by comparison with the ages during which individuals have been acting. It should not be discouraging, therefore, when we find that to-day even in those localities where the trust company has had its largest development, the majority of people in making wills still name individuals.

After all, the corporate fiduciary is only in its infancy and the more broadly it can be established on the right basis over the country, the more readily will its advantages be accepted by the public at large.

**Burdens on Individual**

What can the corporate executor or trustee do that the individual cannot do just as well? This is a question which we are called upon every day to answer. Not ten days ago a corporation official put the question in these very words when approached regarding his will appointment. "What can your company offer my estate that the individual I have named cannot give just as well?"

In the first place, using this man as an illustration, the individual whom he had named was the president of his company, and a large share of his estate was stock in that company.

He was relying upon his business associate, a very busy man, to give up the time to make an inventory of his estate, secure appraisals, see to the probate of the will, determine tha tax liability from an estate, inheritance, income and property standpoint, to the Federal Government, the State of New York and several other states in which companies whose stocks he held were incorporated; to advertise for creditors and pay indebtedness, to collect all claims, to see to the disposition of personal effects, the location of beneficiaries, the payment of legacies, to manage a trust for a young daughter over a period of years, to collect insurance payable to the estate, to keep careful books of record and to account to the court for every penny received and expanded; to attend to the thousand and one important details incident to cleaning up a man's affairs after his death; and in addition, to exercise the sole responsibility during the period of administration for all of the investments of the estate, and to determine if, when, to whom, at what price, and under what conditions, the stock of the company in which they are both vitally interested should be disposed of, and what should be bought in its place in the event of liquidation.

**Individual as Co-executor**

Now there is no reason why the judgment of this particular individual should not be secured in the administration of that estate without burdening him with the full detail of settling the estate and managing the trust. Whereas he would gladly be consulted and give advice as to this or that important transaction, particularly with respect to the stock of his company, it would be quite a different thing to impose upon him the entire work of settling the estate.

The trust company gladly acts in co-operation with such an individual, and the will may be so drawn as to place equal authority in the hands of the individual and the trust company with respect to any important transactions involved.

If it seems like an imposition to put this task upon a business associate, how much more of a mistake it is to burden it upon a widow at the very time in her life when, bowed down by the weight of grief and despair, she is least disposed to face the exactions of such work.

**Trust in Favor**

Whereas the individual may die, may want to travel, may be disabled by illness, or may be absorbed in his own interests, the trust company or the bank is subject to none of those objections. The very type of individual whose judgment is most wanted in the settlement of an estate, is the type who is most engrossed in his own affairs. Furthermore, he is usually contemporary in age with the testator, and this increases the chances of his dying either before or during the time of the performance of his duties.

Whereas the individual may be settling an estate for the first time in his life and may be totally unfamiliar with the routine procedure, let alone the important responsibilities—this is the every day work of the trust company, and it knows its ground.

**Leading Industrial City**

Montreal leads among Canadian manufacturing centres with a capitalization of $517,209,355 and an annual production value of $460,252,357, according to the Dominion Bureau of Statistics, covering the situation as in 1925. Toronto runs it a close second with an industrial capitalization of $429,165,022 and a production value of $447,038,824.


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**$20,000,000**

**Canada Cement Company, Limited**

**First Mortgage Sinking Fund Gold Bonds**

**5½% Series A**

To be dated November 1st, 1927. To mature November 1st, 1947.

Principal and semi-annual interest (May 1st and November 1st) payable at the holder's option in Canadian gold coin at The Royal Bank of Canada in Montreal, Toronto, Halifax, St. John, Winnipeg, Regina, Edmonton and Vancouver, or in United States gold coin at the Agency of The Royal Bank of Canada, New York, or in gold coin of the Kingdom of Great Britain at The Royal Bank of Canada, London, England, at the fixed rate of $4.86 2/3 to £1 Sterling. Issuable as coupon Bonds in denominations of $1,000 and $500, registerable as to principal only, and fully registered Bonds in denominations of $1,000 and authorized multiples thereof. Coupon Bonds and fully registered Bonds interchangeable as provided in Trust Deed. Redeemable at the option of the Company in whole or in part at any time on thirty days' notice at the following prices and accrued interest: at 105 if redeemed on or before November 1st, 1932; thereafter at 104 if redeemed on or before November 1st, 1937; and thereafter at 103. Montreal Trust Company—Trustee.

*These Bonds will be offered simultaneously in Canada and United States.*

**The Trust Deed will provide for an annual cumulative Sinking Fund, commencing November 1st, 1930, equal to 2% for each of the first five years and 3% annually thereafter of all the issued Bonds of Series A.**

**Legal Investment for Life Insurance Companies under the Insurance Act, 1917, Canada.**

*For detailed information, we refer to the prospectus containing letter from A. C. Tagge, President (to be elected) of the Company, which has been summarized in part as follows:*

**The Company**

Canada Cement Company, Limited, will be incorporated under the laws of the Dominion of Canada to acquire from the company of the same name all of its properties and plants, together with well located areas containing almost unlimited deposits of limestone, clay and gypsum, the raw materials required for the production of Portland Cement. The Company will also acquire all the shares and investments in subsidiaries of the old company.

Properties are strategically situated in relation to the consuming markets of Canada and to ports of export, and include plants at Montreal East, P.Q.; Hull, P.Q.; Belleville, Ontario; Lakefield, Ontario; Port Colborne, Ontario; Tuxedo (near Winnipeg), Manitoba, and Exshaw, Alberta, which are well designed and which have been maintained in a high state of operating efficiency. The business is in a position to greatly increase its present output without further capital expenditure.

**Earnings**

For the seventeen years ended December 31st, 1926, net earnings of Canada Cement Company, Limited, (old company), as shown by the company's annual statements, available for bond interest and depreciation, have been as follows:

| | | | | | |
|---|---|---|---|---|---|
| 1910 | — | $1,277,697.84 | 1919 | — | $3,057,553.81 |
| 1911 | — | 2,118,793.83 | 1920 | — | 2,362,742.13 |
| 1912 | — | 2,734,579.62 | 1921 | — | 2,636,460.84 |
| 1913 | — | 2,748,080.64 | 1922 | — | 4,083,030.17 |
| 1914 | — | 2,191,600.32 | 1923 | — | 3,782,712.04 |
| 1915 | — | 2,342,013.52 | 1924 | — | 3,755,956.57 |
| 1916 | — | 3,468,387.72 | 1925 | — | 3,887,239.22 |
| 1917 | — | 5,051,863.78 | 1926 | — | 3,924,891.95 |
| 1918 | — | 3,366,471.79 | | | |

Messrs. Price, Waterhouse & Company, Chartered Accountants, have examined the books of Canada Cement Company, Limited, and their report shows that earnings from properties to be acquired by the new Company, for the nine months ended September 30th, 1927, available for Bond interest and depreciation, were $3,714,884.37.

| | |
|---|---|
| On the basis of these earnings for the nine months, the officials of the company estimate that the earnings for the completed twelve months ending December 31st, 1927, will amount to | $4,583,649 |
| Annual Bond Interest requirements (this issue) | $1,100,000 |

**Assets**

Fixed assets, including plants, buildings, equipment, land, gypsum and limestone reserves, have been examined by Ford, Bacon & Davis, Inc., Engineers, New York, who in their certificate of October 13th, 1927, have appraised the commercial value of these properties, exclusive of working capital, at $38,267,500. In addition, according to the Balance Sheet, certified by Messrs. Price, Waterhouse & Co., Chartered Accountants, the new Company will have investments totalling $4,057,651 and net current assets and advances to subsidiary companies (after deducting all current liabilities) of $4,718,748.

**Capitalization**
(Upon completion of organization)

| | Authorized | Outstanding |
|---|---|---|
| First Mortgage Bonds (including Registered Debenture Stock) | $30,000,000 | $20,000,000 |
| 6½% Sinking Fund Cumulative Preference Shares | 25,000,000 | 21,000,000 |
| Common Shares (no par value) | 750,000 Shares | 600,000 Shares |

Arrangements have been made with the trustee under the Deed securing the 6% First Mortgage Bonds of the Canada Cement Company, Limited (old company) for the release of the mortgaged premises, the payment and satisfaction of all bonds in accordance with the terms of the Trust Deed having been duly and effectually provided for.

**Bond Issue**

The First Mortgage Bonds will be a direct obligation of Canada Cement Company, Limited, and will be secured by specific first mortgage and charge on all the Company's real and immovable properties, including lands, plants, buildings, machinery and equipment and by first floating charge on all other assets. Such charges will cover all of the Company's interest in assets hereafter acquired.

*We offer these Bonds, subject to prior sale, for delivery if, as and when issued and accepted by us and subject to the approval of our Counsel, at*

**Price: 99 and interest, yielding about 5.58%**

**Wood, Gundy & Company Limited** **The Royal Bank of Canada**

*The information contained in this advertisement is based upon statements and statistics on which we have relied in the purchase of these Bonds. We do not guarantee, but believe the statements herein made to be true.*

# EXPECT CHRISTIE PREFERRED WILL BE CALLED SOON

## Directors Meet Monday to Decide on Redemption Plan

### BOND ISSUE UNLIKELY

Temporary Saving in Interest Would be Offset by Expenses—Company to Gain by Conversion

Directors of Christie, Brown & Co. will meet next Monday to decide whether or not to call the outstanding preferred stock. The advisability of the company calling the remaining bonds outstanding also will be discussed.

Christie, Brown preferred is redeemable at 115 and convertible into common on the basis of three shares of common for one preferred. As the common stock is now selling at close to 70, it is inconceivable that the company will have to redeem its preferred at 115. The conversion privilege expires ten days prior to the date fixed for redemption.

**Conversion is Rapid**

Shareholders already have converted much of their holdings of preferred stock. The statement for the six months ended June 30, 1927, shows outstanding preferred totalling $439,300 of $100 par value, compared with $788,600 on December 31st last, $881,400 on December 31, 1925, and $1,000,000 when the present company took over the business on January 1, 1925.

The company's authorized common shares total 150,000 of no-par value. As at June 30th, there were 91,821 shares outstanding, and there will be 105,000 shares outstanding when, and if, the remaining preferred is converted. This will compare with the 75,000 shares outstanding when the present company took over the business, 78,558 at the end of 1925, and 81,342 at the end of 1926.

**Will Retire Block**

The Financial Post has learned that the company will retire another block of $50,000 of the 6 per cent. mortgage bonds on November 1st. This will leave only $400,000 of this issue outstanding. The bonds are dated January 1, 1925, and are due January 1, 1935. Former owners of the business hold many of these bonds.

It is possible that the outstanding bonds will be reduced to $350,000 before the end of the calendar year.

The question as to refinancing to retire the remaining outstanding first-mortgage bonds is not considered important by some interests concerned with this company. A new loan could be floated at a lower rate of interest than is now being paid, but it is pointed out that, at the present rate of retirement, the bonds will be out of the way in a year or two in any event, and that the expenses of refinancing might offset the temporary saving in interest.

The common stock of the company has been selling at prices to yield less than 2 per cent. The dividend is $1.20 the year. The stock market, however, apparently is of the opinion that, with the conversion of the preferred and the rapid retirement of the bonds, the time is not distant when the directors will feel justified in increasing payments on the stock. On the present basis, the company stands to gain by the retirement of the preferred, for the dividend on three shares of common ($3.60) is only slightly more than half the 7 per cent. dividend on one share of preferred of $100 par value.

**Profit is Higher**

The company's net operating profit for the six months ended June 30th last was $225,599, compared with $292,449 in the entire year 1926. On this basis, it would appear that the profits for nine months this year will have been in excess of the profits for the entire year 1926.

The statement as of June 30th which was recently made available, showed that the company was pursuing its policy of conservative financing. Against fixed assets totaling $1,976,457 is the first mortgage bond issue and the remaining preferred stock, the two together totaling only about 40 per cent., of fixed assets. Goodwill is carried at $1.

As at June 30th, the company had $68,125 cash in bank, compared with $29,758 at the end of last year. Accounts receivable had grown in six months from $337,223 to $362,585, while accounts payable had been reduced from $144,891 to $113,088. Current assets were up from $676,213 to $705,820, and current liabilities were down from $181,760 to $164,206.

Earned surplus had increased $97,210 to $205,391 six months later. The surplus for the six months' period, after payment of all charges, including common dividends, thus was $108,180, compared with $89,590, in the preceding full year. This indicates that the company has been earning in 1927 at close to double the rate for 1926. Earnings for 1926 were $1.99 per share.

FOREIGN EXCHANGES

## Usual Movement of Gold Expected

An import movement of gold to Canada, though not a large one, is a distinct probability. Canadian funds have exhibited greater strength during the week, having reached a premium of 5-32 for the first time since April. This is within 1-64 of the 11-64 gold shipment point. Further strength should be shown in November, which is normally the month in which Canadian exchange is strongest. Aside from heavier commercial transactions, substantial financing by Canadian concerns has recently taken place in New York, which has proved helpful to exchange.

There have been no unusual developments in other directions, trading generally being of a dull nature. Dutch guilders came in for some attention, a new high for the year having been set. Guilders are still below the point at which gold would begin to flow from New York to Amsterdam. This is unlikely in view of the cost of shipping, it being cheaper to make transfers from London, Berlin or other centres on the continent.

It is also likely that a gold export movement to Brazil will take place shortly. This would depend largely on the course of the exchange market. The recent large loan of this country in New York and London, for the purpose of carrying out its stabilization plans, may result in the withdrawal of gold.

Sterling and the balance of the list displayed a fair degree of steadiness. Roumanian was weak on account of threatened political troubles in that country. French francs were a trifle stronger, while Scandinavian currencies and the lire were unchanged.

**NEW YORK FUNDS**

| | High (Discount) | Low (Discount) | Last Year High (Discount) | Last Year Low (Discount) |
|---|---|---|---|---|
| Oct. 20 | 1-8 | 1-8 | 3-32 | 3-32 |
| Oct. 21 | 9-64 | 5-32 | 5-64 | 3-32 |
| Oct. 22 | 5-32 | 5-32 | 5-64 | 3-32 |
| Oct. 24 | 5-32 | 5-32 | 3-32 | 3-32 |
| Oct. 25 | 5-32 | 5-32 | 3-32 | 7-64 |
| Oct. 26 | 5-32 | 5-32 | 3-32 | 1-8 |

**STERLING, FRANCS AND LIRE**

| | Sterling Close | Francs Close | Lire Close |
|---|---|---|---|
| Oct. 20 | 4.86⅞ | 3.92⅝ | 5.46¾ |
| Oct. 21 | 4.86⅞ | 3.92⅝ | 5.46¼ |
| Oct. 22 | 4.86 13/16 | 3.92⅝ | 5.46¼ |
| Oct. 24 | 4.86 11/16 | 3.92⅝ | 5.46¼ |
| Oct. 25 | 4.86⅝ | 3.92 5/16 | 5.46½ |
| Oct. 26 | 4.86 9/16 | 3.92⅝ | 5.45¾ |

**FOREIGN EXCHANGE**

| Par | | Oct. 19 | Oct. 26 |
|---|---|---|---|
| 13.90 | Italian | 5.46 | 5.45 |
| 23.82 | German | 23,87 | 23.82 |
| 19.30 | Belgium | 13.91½ | 13.91 |
| 84.85 | Japan | 46.50 | 46.50 |

# November Dividend Payments

**Summary of Payments**

| | |
|---|---|
| Dividends | $3,437,974 |
| Bond Interest | 43,042,905 |
| Total | $46,480,879 |

**DIVIDEND PAYMENTS**

| Company | Rate | Date | Amount |
|---|---|---|---|
| Amer. Salesbook, pf. | 1¾q | 1 | $ 53,782 |
| B.C. Pulp, pref. | $1.75q | 1 | 9,733 |
| Brompton Pulp, pref. | 1¾q | 15 | 32,900 |
| Burns, P., pref. | 1¾q | 1 | 69,002 |
| Can. Bronze, pref. | 1¾q | 1 | 21,875 |
| Canada Cement, pref. | 1¾q | 16 | 183,750 |
| Can. Converters | 1¾q | 15 | 30,334 |
| Canadian Oil, com. | 25cq | 15 | 24,000 |
| Can. Fairbanks-M., pfd. | x3 | 15 | 45,000 |
| Chase, A. W., pref. | 2q | 10 | 19,956 |
| Christie Brown, com. | 30cq | 1 | 24,402 |
| Do. pref. | 1¾q | 1 | 13,800 |
| Cosmos Imperial, pref. | 1¾q | 15 | 26,250 |
| Dominion Bridge | 1q | 15 | 65,000 |
| Gosse Packing, pref. | 1¾q | 1 | 26,250 |
| Hollinger Mines | 2 | 4 | 492,000 |
| Humberstone Shoe, com. | 50cq | 1 | 5.000 |
| Do. pref. | 2q | 1 | 6,000 |
| Inter. Utilities, pref. | $1.75q | 1 | 64,694 |
| Imperial Bank | 3+1q | 1 | 280,000 |
| Inter. Nickel, pref. | 1½q | 1 | 133,689 |
| Inter. Paper, com. | 60cq | 15 | 60,000 |
| Kelvinator, pref. | 1¾q | 15 | 13,798 |
| King Edward Hotel, com. | $2 | 1 | 40,000 |
| Do., 2nd pref. | 2s | 21 | 114,000 |
| Massey-Harris, pref. | 1¾q | 15 | 211,572 |
| Mexican L. & Pr. cum. pf. | 3½s | 21 | 210,000 |
| Montreal W. & Pr. com. | $1q | 15 | 11,200 |
| Do. pref. | 1¾q | 15 | 8,750 |
| Muirheads Cafet., pref. | 25c | 1 | 9,415 |
| Mortgage Corp. of N.S. | 1½q | 1 | 10,167 |
| National Brick, pref. | 1½q | 15 | 50,094 |
| Ontario Steel, com. | 1½q | 15 | 11,250 |
| Do. pref. | 1¾q | 15 | 13,125 |
| Penmans, com. | $1q | 15 | 64,518 |
| Do. pref. | 1½q | 1 | 16,125 |
| Pure Food Stores, pref. | 1¾q | 1 | 2,625 |
| Do. 2nd pref. | 1¾q | 1 | 3,500 |
| Quebec Dairies, 1st pf. | 1¾q | 1 | 2,625 |
| Russell Motor, pref. | 1¾q | 1 | 21,000 |
| Robin, Jones & Whit., pf. | 1½q | 1 | 12,720 |
| Sherbrooke Trust | 3s | 1 | 7,500 |
| Simpson, Robt., pref. | 3s | 1 | 100,500 |
| South. Can. Pr., com. | $1 | 15 | 60,000 |
| Standard Bank | 3q | 1 | 144,702 |
| Stanfords, 1st pref. | 1¾q | 1 | 8,750 |
| Do. 2nd pref. | 1¾q | 1 | 3,500 |
| St. Law. Flour, pref. | 1¾q | 1 | 10,062 |
| Steel of Can., com. | 1¾q | 1 | 201,250 |
| Do. pref. | 1¾q | 1 | 113,684 |
| Supertest Pet., com. | .25c+50s | 1 | 18,750 |
| Do. pref. "A" | 3½s | 1 | 17,500 |
| Do. pref. "B" | 3s | 1 | 6,000 |
| Wright-Hargreaves | 5¼q | 1 | 275,000 |
| Wood, Alex. & James, 1st pfd. | 1¾q | 1 | 11,375 |
| Zimmerknit, pfd. | 1¾q | 1 | 10,500 |
| | | | $3,437,974 |

q—Quarterly.
s—Half-yearly.
y—Yearly.
x—On arrears.

**Bond Interest Due in November**

| | | | | |
|---|---|---|---|---|
| Alexandra Apts. | 6½ | 15 | 1940 | $ 11,375 |
| Atlantic Coast Coll. | 7 | 15 | 1944 | 175,000 |
| Belding Corticelli | 5 | 1 | 1936 | 9,182 |
| B.C. Pulp & Paper | 6 | 1 | 1950 | 111,225 |
| Do. Gen. Mtge. | 7 | 1 | 1950 | 52,500 |
| Brompton Pulp | 6 | 1 | 1935 | 22,530 |
| Beauharnois Elec. | 5 | 1 | 1942 | 5,350 |
| Calgary Brewing | 5 | 1 | 1942 | 20,900 |
| Canada Biscuit | 6½ | 1 | 1946 | 71,500 |
| Canada North. Pr. | 6½ | 1 | 1941 | 97,500 |
| Cost. R. Equip. Tr. Cert. | 4½ | 1 | Serial | 337,500 |
| Canada Housing | 6½ | 1 | 1943 | 4,875 |
| Cosmos Imperial | 6½ | 15 | 1944 | 31,850 |
| Cascade W. & Pr. | 4½ | 1 | 1940 | 3,566 |
| Davies, Wm. "A" | 6 | 1 | 1942 | 66,000 |
| Dominion Park | 7 | 1 | 1936 | 3,500 |
| Duke Price Pr. "A" | 6 | 1 | 1966 | 1,110,000 |
| Dufresne, J. | 7 | 1 | Serial | 2.369 |
| Fort Wm. Paper | 6 | 1 | 1946 | 105,000 |
| Granby Cons. Mining. | 6 | 1 | 1928 | 22,710 |
| Do. Convert. Debs. | 7 | 1 | 1930 | 9,194 |
| Granite Club | 6½ | 1 | 1941 | 8,937 |
| Great Lakes Power | 6 | 1 | Serial | 73,800 |
| Gurney Foundry | 6½ | 15 | Serial | 34,645 |
| Gurney Heater Mfg. | 6 | 1 | 1941 | 22,500 |
| Gt. Northern Pr. | 6 | 1 | 1946 | 27,795 |
| Hydro-Elec. Bond | 5 | 1 | 1957 | 87,500 |
| Hawkesbury Elec. | 6½ | 1 | 1943 | 9,750 |
| Jones Bros. of Can. | 6½ | 15 | 1946 | 9,750 |
| Kaministiquia Pr. | 5½ | 1 | 1950 | 76,669 |
| Mercury Mills | 6½ | 15 | 1942 | 23,920 |
| Minn. & Ont. Pa. "C" | 6 | 1 | 1950 | 150,000 |
| Montreal Cotton | 5 | 1 | 1943 | 14,575 |
| Montreal Island Pr. | 5½ | 1 | 1957 | 220,000 |
| National Brick | 6 | 1 | 1951 | 22,500 |
| Nat. Deben. Corp. | 5½ | 1 | 1946 | 3,712 |
| National Cement | 7 | 1 | Serial | 52,500 |
| Penmans | 5½ | 1 | 1951 | 55,000 |
| Porto Rico Rlys. | 5 | 1 | 1936 | 53,537 |
| Do. Refund | 5 | 1 | 1962 | 32,240 |
| Provincial Paper | 6 | 1 | 1940 | 40,500 |
| Que. Southern Pr. | 6½ | 1 | 1945 | 32,500 |
| Ravina Properties | 7 | 1 | 1941 | 5,250 |
| Span. River Pulp | 8 | 1 | 1941 | 112,740 |
| St. Cath.-Stanley Rlty. | 6½ | 1 | 1946 | 32,500 |
| Stewart Terminals | 6½ | 1 | Serial | 17,250 |
| United Securities | 5½ | 1 | 1952 | 99,000 |
| Wabasso Cotton | 7 | 1 | 1942 | 23,870 |
| Wahnapitae Power | 6½ | 1 | 1944 | 16,250 |
| Corporation Bonds | | | | $3,632,816 |
| Victory Loan | 5½ | 1 | 1933 | 12,283,254 |
| Do. | 5½ | 1 | 1934 | 14,077,541 |
| Do. Renewal | 5½ | 1 | 1927 | 779,381 |
| Do. Renewal | 5½ | 1 | 1932 | 2,348,381 |
| Dom. 3-yr. Notes | 4 | 15 | 1927 | 160,000 |
| Dom. Loan, N.Y. | 5 | 1 | 1952 | 2,500,000 |
| Municipal Bonds | | .. | .... | x4,062,500 |
| Provincial Bonds | | .. | .... | x3,199,032 |
| Total | | | | $43,042,905 |

xFigure is determined by dividing by twelve the ultimate total interest payable during the year on these issues.

**CHANGES OUTPUT**

MONTREAL.—The International Paper Co. is carrying out its programme of switching its newsprint capacity to Canada. The South Glens Falls mill has turned out its last roll of newsprint and for the future its activities will be confined to other lines. The newsprint capacity of the plant was 160 tons daily, but during the last year the output has been about 75 tons daily. The newsprint machinery will either be scrapped or employed in other mills.

## Can. Connecticut Cottons Preferred Strong in Market

MONTREAL.—Although reports of a pending purchase of Canadian Connecticut Cottons have been flatly denied the remarkable show of strength in the company's preferred stock which arose to a new high of 65 this week, has centred attention upon it.

That the stock should have risen to this height in spite of the fact that the preferred dividend has not been shown earned for years, and that the directors have taken no steps in regard to the 8 per cent. cumulative dividend due October 1st at their recent meeting, leads to the belief that something is in the wind.

The company is in a strong liquid position with current assets of $1,656,000 and current liabilities of $56,000.

As quarterly dividends payments were cut from 2 to 1 per cent. with the declaration of the first dividend in 1926, the passing of the October dividend brings the accumulations up to $22 per share.

## QUEBEC DAIRIES LIMITED

**PREFERRED DIVIDEND NOTICE**

A Dividend of 1¾ per cent. for the Quarter ending October 31st, 1927, and being at the rate of Seven per cent. per annum, has this day been declared on the Preferred Stock of the Company, and is payable on the 1st of November, 1927, to Shareholders of record at the close of business on the 20th October, 1927.

By Order of the Board,
R. TRUDEL,
Secretary.

## CANADIAN VICKERS LIMITED

**Preferred Shareholders' Dividend No. 1**

Notice is hereby given that a Dividend of One and Three-quarters per cent. (1¾%) for the Quarter ending October 31st, 1927, being at the rate of 7% per annum, on the Paid-up Cumulative Preferred Shares of this Company, has been declared, and that the same will be paid on the 15th day of November next to Preferred Shareholders of record at the close of business on October 31st, 1927.

(Sgd.) J. W. SAVIDANT,
Secretary.

Montreal, October 26th, 1927.

## *King Edward Hotel Company, Limited*

Notice is hereby given that a dividend of $2.00 per share on the Common Stock of the Company has been declared payable November 1st, 1927, to shareholders of record at the close of business on the 27th day of October, 1927.

By order of the Board.
D. H. McDOUGALL,
Secretary.

Toronto, October 22nd, 1927.

## EXECUTIVE

Canadian, forty-two years old, with eight years experience selling and installing business systems, three years as Sales Manager, seven years as Office, Cost and Production Manager, five years as Superintendent in large Textile Mill, desires to make change. Thorough experience in Merchandising, Advertising, Selling, Study of Markets, and Control of Men and Materials. With present firm twelve years. Can guarantee results and furnish highest credentials. Box 127, The Financial Post, 153 University Ave., Toronto, Ont.

## The Shawinigan Water & Power Company

### Notice of Redemption

**To the holders of the Series "D" Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company.**

NOTICE IS HEREBY GIVEN that all of the outstanding Series "D" Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company, issued under and secured by a Trust Deed of Hypothec, Mortgage and Pledge, dated October 8th, 1919 and Deeds supplemental thereto, in favour of Montreal Trust Company, as Trustee, which would, according to their terms, mature on April 1st, 1954, will be redeemed by the Company, pursuant to the terms of the said Deeds, on the First day of April, 1928, at par with a premium of five per cent. thereon and with interest accrued to the date of redemption.

The said Bonds will be paid at the redemption price aforesaid upon surrender thereof, with the coupons maturing on April 1st, 1928, and all coupons for subsequent interest attached thereto, at the principal office of The Royal Bank of Canada, in the City of Montreal, Canada, or at the principal office of the Bank of the Manhattan Company, in the Borough of Manhattan, City and State of New York, U.S.A., or at the Bank of Scotland, in London, England, at the holder's option.

In case such Bonds are not presented for redemption on April 1st, 1928, all interest on said Bonds will cease from and after the said date.

Dated at Montreal, this 29th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Series "D" Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds may surrender the same at the principal office of The Royal Bank of Canada, Montreal, or at the principal office of the Bank of the Manhattan Company, Borough of Manhattan, N.Y., or at the Bank of Scotland, London, England, at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of one hundred and five per cent. (105%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

## The Royal Bank of Canada

**DIVIDEND No. 161 AND BONUS**

NOTICE is hereby given that a DIVIDEND OF THREE PER CENT (being at the rate of twelve per cent per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, also a bonus of two per cent for the year ending November 30, 1927, and that the same will be payable at the bank and its branches on and after Thursday the first day of December next, to shareholders of record at the close of business on the 31st day of October.

Shares not fully paid on the 31st day of October, 1927, will participate in the bonus rateably to the amounts paid thereon.

By order of the Board.
C. E. NEILL,
General Manager.

Montreal, Que., October 11, 1927.

## THE CANADIAN BANK OF COMMERCE

**Dividend No. 163**

Notice is hereby given that a dividend of Three per cent. upon the paid-up capital stock of this Bank has been declared for the quarter ending 30th November, 1927, together with a bonus of one per cent., payable at the Bank and its Branches, on and after Thursday, 1st December next.

The Transfer Books of the Bank will be closed from the 16th November to 30th November next, both days inclusive.

By Order of the Board.
S. H. LOGAN,
General Manager.

Toronto, 14th October, 1927.

## The Shawinigan Water & Power Company

### Notice of Redemption

**To the holders of the Series "C" Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company.**

NOTICE IS HEREBY GIVEN that all of the outstanding Series "C" Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water & Power Company, issued under and secured by a Trust Deed of Hypothec, Mortgage and Pledge, dated October 8th, 1919, and Deeds supplemental thereto, in favour of Montreal Trust Company, as Trustee, which would, according to their terms, mature on July 1st, 1950, will be redeemed by the Company, pursuant to the terms of the said Deeds, on the First day of January, 1928, at par with a premium of five per cent. thereon and with interest accrued to the date of redemption.

The said Bonds will be paid at the redemption price aforesaid upon surrender thereof, with the coupons maturing on January 1st, 1928, and all coupons for subsequent interest attached thereto, at the principal office of The Royal Bank of Canada, in the City of Montreal, Canada, or at the principal office of the Bank of the Manhattan Company, in the Borough of Manhattan, City and State of New York, U.S.A., or at the Bank of Scotland, in London, England, at the holder's option.

In case such Bonds are not presented for redemption on January 1st, 1928, all interest on said Bonds will cease from and after the said date.

DATED at Montreal, this 29th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Series "C" Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds may surrender the same at the principal office of The Royal Bank of Canada, Montreal, or at the principal office of the Bank of the Manhattan Company, Borough of Manhattan, N.Y., or at the Bank of Scotland, London, England, at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of one hundred and five per cent. (105%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

## The Shawinigan Water & Power Company

### Notice of Redemption

**To the holders of the Series "B" Thirty-Year Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company.**

NOTICE IS HEREBY GIVEN that all of the outstanding Series "B" Thirty-Year Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water & Power Company, issued under and secured by a Trust Deed of Hypothec, Mortgage and Pledge, dated October 8th, 1919, and Deeds supplemental thereto, in favour of Montreal Trust Company, as Trustee, which would, according to their terms, mature on July 1st, 1950, will be redeemed by the Company, pursuant to the terms of the said Deeds, on the First day of January, 1928, at par with a premium of five per cent. thereon and with interest accrued to the date of redemption.

The said Bonds will be paid at the redemption price aforesaid upon surrender thereof, with the coupons maturing on January 1st, 1928, and all coupons for subsequent interest attached thereto, at the principal office of the Royal Bank of Canada, in the City of Montreal, Canada, or at the principal office of the Bank of the Manhattan Company, in the Borough of Manhattan, City and State of New York, U.S.A., or at the Bank of Scotland, in London, England, at the holder's option.

In case such Bonds are not presented for redemption on January 1st, 1928, all interest on said Bonds will cease from and after the said date.

DATED at Montreal, this 29th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Series "B" Thirty-Year Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds may surrender the same at the principal office of The Royal Bank of Canada, Montreal, or at the principal office of the Bank of the Manhattan Company, Borough of Manhattan, N.Y., or at the Bank of Scotland, London, England, at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of one hundred and five per cent. (105%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

# EXECUTIVE ACCOUNTANT

of broad experience wanted by a corporation controlling six large Companies with many Branches under their supervision. Must be capable Executive able to conduct organization along most modern lines. Must be keen investigator able to control high-grade constructive Audit and Cost System. Chartered Accountant preferred. Replies will be held in strictest confidence and no inquiries will be made without permission of applicant. When writing please give references, fully state education, age, previous business connections, salary received, etc.

**Box 130, The Financial Post, Toronto 2, Ont.**

## The Shawinigan Water and Power Company

To: The holders of the Five Per Cent. (5%) Consolidated Mortgage Thirty Year Gold Bonds of the above named Company, due January 1, 1934, secured by Trust Deed dated June 14th, 1904, in favour of The Royal Trust Company, Trustee.

NOTICE is hereby given that in the exercise of the power reserved to it under the provisions of the said Trust Deed, the undersigned Company will, on the first day of January, 1928, redeem all of its Five Per Cent. (5%) Consolidated Mortgage Thirty Year Gold Bonds, which may be then outstanding, by payment of the principal thereof with a premium of ten per cent. (10%) thereon and accrued interest to the said first day of January, 1928, at the principal office of the Bank of Montreal, in Montreal, Canada, or London, England, or at the agency of the said Bank in the City of New York, U.S.A., at the option of the holder or bearer.

Holders of said Bonds are accordingly required to present their Bonds, together with all unmatured coupons attached, for redemption, on the aforesaid date, from and after which said Bonds will cease to bear interest.

Dated at Montreal, Canada, this 12th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY,
Jas. Wilson,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Five Per Cent. (5%) Consolidated Mortgage Thirty-Year Gold Bonds may surrender the same at the principal office of the Bank of Montreal in Montreal, Canada, or London, England, or at the agency of the said Bank in the City of New York, U.S.A., at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of One Hundred and ten per cent. (110%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY,
(Sgd.) Jas. Wilson,
Secretary.

## The Shawinigan Water & Power Company

### Notice of Redemption

**To the holders of the Series "A" Thirty-Year Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company.**

Notice is hereby given that all of the outstanding Series "A" Thirty-Year Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company, issued under and secured by a Trust Deed of Hypothec, Mortgage and Pledge, dated October 8th, 1919, and Deeds supplemental thereto, in favour of Montreal Trust Company, as Trustee, which would, according to their terms, mature on January 1st, 1950, will be redeemed by the Company, pursuant to the terms of the said Trust Deed, on the First day of December, 1927, at par with a premium of ten per cent. thereon and with interest accrued to the date of redemption.

The said Bonds will be paid at the redemption price aforesaid upon surrender thereof, with the coupons maturing on December 1st, 1927, and all coupons for subsequent interest attached thereto, at the principal office of The Royal Bank of Canada, in the City of Montreal, Canada, or at the principal office of the Bank of the Manhattan Company, in the Borough of Manhattan, City and State of New York, U.S.A., or at the Bank of Scotland, in London, England, at the holder's option.

In case such Bonds are not presented for redemption on December 1st, 1927, all interest on said Bonds will cease from and after the said date.

Dated at Montreal, this 29th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Series "A" Thirty-Year Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds may surrender the same at the principal office of The Royal Bank of Canada, Montreal, or at the principal office of the Bank of the Manhattan Company, Borough of Manhattan, N.Y., or at the Bank of Scotland, London, England, at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of one hundred and ten per cent. (110%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

NOTICE OF DIVIDEND

## FAMOUS PLAYERS CANADIAN CORPORATION LIMITED

Notice is hereby given that a dividend of Two Dollars ($2.00) per share for the quarter ending the 1st of November, 1927, has been declared upon the First Preference stock of the Company, payable the 1st day of December, 1927, to shareholders of record Monday, the 31st day of October, 1927.

By order of the Board.
N. L. NATHANSON,
Managing Director.

Dated at Toronto this 20th day of October, 1927.

## Wayagamack Pulp & Paper Co. LIMITED

**Dividend No. 11**

Notice is hereby given that a Dividend of Seventy-five cents (75c) per share has been declared on the No Par Value Common Stock of the Company, for the quarter ending November 30th, 1927, payable December 1st, 1927, to Shareholders of record at the close of business on November 15th, 1927.

By order of the Board.
D. L. ADAMS,
Secretary-Treasurer.

Montreal, Que., October 20th, 1927.

## The Shawinigan Water & Power Company

### Notice of Redemption

**To the holders of the Series "E" Five Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company.**

NOTICE IS HEREBY GIVEN that all of the outstanding Series "E" Five Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company, issued under and secured by a Trust Deed of Hypothec, Mortgage and Pledge, dated October 8th, 1919, and Deeds supplemental thereto, in favour of Montreal Trust Company, as Trustee, which would, according to their terms, mature on October 1st, 1955, will be redeemed by the Company, pursuant to the terms of the said Deeds, on the First day of April, 1928, at par with a premium of five per cent. thereon and with interest accrued to the date of redemption.

The said Bonds will be paid at the redemption price aforesaid upon surrender thereof, with the coupons maturing on April 1st, 1928, and all coupons for subsequent interest attached thereto, at the principal office of The Royal Bank of Canada, in the City of Montreal, Canada, or at the principal office of the Bank of the Manhattan Company, in the Borough of Manhattan, City and State of New York, U.S.A., or at the Bank of Scotland, in London, England, at the holder's option.

In case such Bonds are not presented for redemption on April 1st, 1928, all interest on said Bonds will cease from and after the said date.

DATED at Montreal, this 29th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Series "E" Five Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds may surrender the same at the principal office of The Royal Bank of Canada, Montreal, or at the principal office of the Bank of the Manhattan Company, Borough of Manhattan, N.Y., or at the Bank of Scotland, London, England, at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of one hundred and five per cent. (105%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
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Insurance—page 22
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Canadian Mining News

# THE FINANCIAL POST

*The Canadian Newspaper for Business Men and Investors*

Vol. XXI. 10c a Copy; $5.00 a Year PUBLICATION OFFICE: TORONTO, OCTOBER 28, 1927 Member of Audit Bureau of Circulations No. 43

## WILL APPOINT HIGH CLASS ENGINEERS TO HANDLE HARVIE

### President Says Operation Same as Amulet Before Cutting Big Bodies

### NOW LOOKING WELL

### Recent Study by Engineers and Geologists Makes the Situation Clearer

Dr. Robert Harvie, president Harvie Mining Co., in a progress report to shareholders, says that developments in Clericy Tp., Quebec, have reached such an advanced stage that negotiations have been opened, looking forward to placing the entire management of the property in the hands of the most competent mining engineers available. An announcement is expected soon.

Discussing the situation at the property, Dr. Harvie says that most of the suggestions from the Alderson-Mackay report have been acted upon. He says the essence of the report consisted in the recognition of two major geological structures which, in their opinion, controlled to a great extent the position of the ore-bodies. Briefly this was that an East-West system of fracturing, associated with pyrite mineralization, took place at an early date, and that later a North-South fracturing occurred accompanied by copper mineralization, in the form of chalcopyrite. They argued that important ore-bodies are most likely to occur at the points of the intersections of the two fracture systems. The practical application of these deductions on our property has consisted in a very close examination, both on the surface and underground, with the object of locating one or both of these fracturings and more particularly breaking into and examining the very numerous zones in order to pick out the strongest combinations.

This work has been largely concentrated in, and to the south of the Archean shaft (2509) where the greatest amount of information on structural conditions was already available, and their relationship still further south, on the Thompson group, more quickly obtainable.

As a result, in this section, four distinct east-west fracture zones and four north-south zones have been recognized.

To arrive at this satisfactory result was not an easy or speedy operation. As work progressed, it was found that while the general geology may be simple, in detail it is more complicated. A number of dislocations have been noted as well as intrusive dykes, both of which features favorably affect the deposition of ore.

In a brief way, the situation may be summed up as follows:

It is now apparent that the Archean shaft is located in the north-western corner of a richly mineralized zone, approximately 600 feet wide, and a 1,000 feet long; the greater part of which is on the Thompson group of claims. Most of the timber has recently been cleared from this area, so that the relations of the outcrops are readily visible, with the result that there is a most impressive display of showings, which bring home in a clear-cut way, the tremendous possibilities which are as yet, only partly revealed.

The original north-south surface showing at the Archean shaft has been traced down to the 125 foot level, where it had been opened up by a drift and also cut in several diamond drill holes. A drift aimed at this body is now within 13 feet of reaching it.

A parallel body, cut by the drill, lies 60 feet to the west of the main body, and has this week been opened by a drift which shows a width of 12 feet

(Continued on page 21)

### No Better Place to Get the Facts

A subscriber to Financial Post Survey of Mines, residing in State of Washington, on the Pacific Coast, writes:

> Just received Survey of Mines, and pleased as usual. To one who cares for the facts, quickly accessible, regarding the mining industry of Canada, I know of no better place to get them.

## SERIOUS CHARGES AGAINST EX-HEAD OF MONTREAL EXC.

### Manipulation of Mining Shares in Three Concerns Against W. J. Ball

William J. Ball, erstwhile president of Montreal Mining Exchange, has been committed to stand trial in Toronto on seven charges of manipulation.

The information on which he was given preliminary hearing, in Toronto police court, charged that Ball, "by deceit or falsehood or other fraudulent means, conspired to affect the public market price of the shares of the stocks of Continental Smelting and Refining Co.;

"To defraud the public, or such persons as might become clients, or customers of the W. C. Benner Co.

"To affect the market price of stock of the North American Dev. Co.

"To defraud clients or customers of Chas. Stewart & Co.

"That he did unlawfully conspire with Milton Jarvis and Ira Jarvis and other persons, or some, or any of them, by deceit or falsehood, or other fraudulent means to defraud the public, etc., subscribers to the stock of an incorporated company, to wit, the Dominion Lead Co.

"All these charges being contrary to the criminal code."

Only sufficient evidence, necessary for the magistrate to send the case to the higher courts, was offered at the preliminary hearing. The ramifications that have taken place in these various stocks did not come out, but will make some interesting reading when the case comes for trial. In another column will be found the story dealing with Dominion Lead. The other issues, like Dominion Lead, are traded in exclusively on Montreal Exchange. N.A. Development appeared May 26, at $1.00 to $1.25. Sold up quickly to $2.10, down to $1.30, and up and down to Aug. 1, when it slipped below $1, and went right down to 30 and stayed there to Sept. 12, and there disappeared.

There are no records on Consolidated Smelting and Refining.

## DRILL WILL START ON SUDBURY BASIN

### Electrical Survey Report Good—Company Has Offer of $5 for Block

It is understood that New York interests have made an offer of $5 per share for a large block of treasury stock of Sudbury Basin Mines.

Canadians in general, have not taken much interest in this operation, with perhaps the exception of a number of mining men who have been watching the Sudbury situation closely.

U.S. mining interests are, however, keen on the situation.

It is understood that the electrical survey conducted on one of the properties of Sudbury Basin Mines, showed excellent results and that they are about ready to start diamond drilling. Because of the location of this holding and the geology, there is considerable optimism abroad in regard the possible results.

## Toronto May Have Another Mine Exchange

### New Organization Reported to Have Secured Dominion Charter

Toronto is to have a new mining exchange.

Official announcement of the incorporating and organization of the new medium of exchanging mining shares is expected next week.

It will be known as Canadian Mining Exchange and the charter, which is said to have been secured already, is a Dominion one.

It is understood that the promotors plan a Dominion-wide organization, and may open an exchange in Montreal as well as Toronto.

The names of the backers of the venture have not as yet been made public, but it is stated that the board of governors will be composed of business and mining men of standing.

It is understood that seats will be sold at $5,000 each and that the trading commissions on the leading gold stocks will be just half those that are charged on Standard Stock and Mining Exchange transactions.

In regard to listing, it is said that no issue will be accepted for listing unless the company has proven ore on the property. It is contended that there is sufficient funds available to finance prospects privately and that financing through the market on the new exchange will be prohibited.

Another important proposal to be suggested for the by-laws will have to do with short selling. If a member of the exchange wishes to sell short on an issue, he must put up the stock. This will be a factor in preventing wholesale short selling on various issues. Short selling to-day provides the means for a great deal of the raiding of shares prices especially after a substantial advance. It is recognized as a legitimate market movement, a corrective that prevents stocks being carried up and out of all bounds. One of the evils, however, is that in many cases, there is wholesale short selling by persons not holding the shares. This perhaps, would be hard to prove, but is nevertheless recognized as a general condition.

The full details of the new organization will be awaited with considerable interest.

## Sherritt G. Gets $4,000,000 for Its Treasury

### Largest Individual Deal on Record Involves 2,000,000 Shares of Stock

It is understood that one of the largest, if not the largest, individual deal in treasury shares of a mining company was concluded in Toronto this week.

It involves shares of Sherritt-Gordon Mines, Northern Manitoba, the details of which operation were outlined in The Financial Post a week ago.

It was impossible to get any official details but it is reported from authentic sources that large Montreal interests have closed a deal to take up 2,000,000 shares from the treasury of the company at $2 per share. This will place $4,000,000 immediately available as working capital.

Sherritt-Gordon stands out as one of the biggest developing operations in Canada. There are not many mines like it. Sullivan in British Columbia, Flin Flon and the famous Buchan Mines' ore bodies in Newfoundland, perhaps compare favorably with the Sherritt. It is a case where the ore body is so well defined and so consistent, that engineers can take diamond drill results and estimate ore with a great deal of accuracy. Taking only a section of the known Sherritt ore body it gives indications of $220,000,000 in ore, will be blocked out by 1929. This is about the estimate made of the Flin Flon deposit down to 2,000-ft.

### Abbey Mines Starting Second Diamond Drill

On the Abbey mines property adjoining Abana mines on the north and west, a second diamond drill is being set up. Some very favorable results have been met with in following up the Radiore electrical survey and a detailed report on the progress to date is to be made soon by Chas. Spearman, consulting engineer.

### T. C. DENIS NAMED PROVINCIAL GEOLOGIST FOR QUEBEC PROV.

Theo C. Denis, for some years superintendent of mines for Quebec, has relinquished this post to assume that of provincial geologist. A. O. Dufresne, of the Department of Mines staff, has been appointed superintendent of mines.

## Two Measures Needed to Control Stock Salesmen

### Salesmen Permits Would Give Province a Grip on All Operators—Mail Fraud Statute Would Effectively Curb Tipster Sheets in Flooding Country with High-Pressure Propositions

*Canada is being infested with high-pressure salesmen from across the line.*

*At the same time Canada is being made the rendezvous of numerous publishers of tipster sheets, who, denied the use of the mails of the United States, are mailing their high pressure publications from Canada.*

*Canada must do something to curb the activities of both.*

*From the province of Ontario must come action in regard the former. With the Federal Government rests the power to clip the wings of the former.*

*Ontario, and the other provinces of the Dominion must control, sooner or later, all security salesmen.*

*There has been a continued agitation for Provincial Blue Sky laws. Such statutes involve Governmental approval or disapproval of the security. They purport to protect and do not protect. Manitoba's experience is an evidence of this.*

*Licensing salesmen get away from this. It controls the men who are going to sell. If salesmen with a clean record only, are granted licenses, they will sell only good securities.*

*Crooked salesmen, if allowed full liberty of operation, can put over crooked deals in Victory Bonds just the same as they do today in "fly-by-night" securities.*

*Tipster sheets can only be banned by the Federal Government denying them the use of the Canadian mails.*

*There is no statute to-day which automatically brings these operators foul of the law. If complaint is made to Ottawa, they can be denied the use of the mails, after investigation, but the sins which lead up to banning go unpunished.*

*Canada is in dire need of a statute that will give her as full control of her mails as the statute in the United States which has to do with the use of the mails to defraud.*

*The bulk of criminals at Leavenworth Penitentiary, one of the largest in the United States, are said to be there paying their debt to society, because they tried to defraud fellow countrymen by the use of the mails. If such a statute is efficient and necessary in the United States, then it is a measure of protection that Canadians should not be denied.*

*Daily there are reports of operatives from the United States coming into Canada to swing deals that they are unable to tackle across the line.*

*Just the other day, a couple arrived here with some wonderful oil leases from Kansas. They were asked why they did not sell them in Kansas, if they were so excellent. They said they couldn't. It may be that the shades of Dr. Cook of North Pole fame, who by the way is one of the Leavenworth inmates, for fraudulent use of the mails in an oil promotion, may have deterred them.*

*If these salesmen are not good enough for the United States, they are not good enough for Canada. If the tipster sheets cannot operate in the United States: if they are denied the use of the U. S. mails, then they should not be allowed access to Canada's mails. If propositions in the United States are not good enough to sell to the people of the United States, in conformity to their laws, then they are not good enough for Canada.*

*Stock and security selling has reached a high pitch in Canada. The development of the country's mineral resource, is mainly responsible. There are enough good things for the salesmen to sell and for the public to buy, without high pressure salesmen depriving the mining industry of this possible working capital and the public of their hard earned dollars, by fraudulent means.*

*The attorney-general of Ontario is alive to the situation. His drive against certain brokerage houses, is an evidence of this. His experience in this regard may be crystallized in legislative action at the coming session. There is a Blue Sky law, passed by the Drury Government, ready to put on the statutes. This was well intentioned but had the great weakness that it involved approval or disapproval of the security. This we believe is an inherent weakness in all Blue Sky laws, and makes them undesirable.*

*Licensing salesmen will mean that only salesmen with a clean record will sell securities. Forfeiture of his license, blacklisting, forfeiture of his bond and possible prosecution, would tend to keep those granted a license on their best behaviour.*

### Good News of Mines Facts to Register

Two weeks ago there was a flood of good news coming out from the mines.

Since then the market for mining stocks has softened materially. The good news has dried up considerably.

When the market is boiling there is a tendency to make the best use of all the news available. There is advantage to be gained by the dissemination of such news. When the market breaks, putting out good news produces little or no results. Tough Oakes was an example this week. It was reported that an excellent find had been made on the 400-ft. level. The stock was at 59. It moved up to 62 and two hours later was back to 59.

During the past couple of weeks, information on Amulet has been of a nature that a month ago would have been sensational. It would have been reflected in the market to the extent of at least $1 per share advance. Instead Amulet has steadily lost ground.

## PROMOTERS' DOOR IS NOW ADORNED BY SHERIFF'S SIGN

### Toronto Securities Salesmen Seem to Have Had Definite Mode of Working

The Sheriff's sign is on the door of Toronto Securities, on Adelaide Street East. This company's out-of-town offices at London and Windsor, were visited by the police.

What happens to Dominion Lead cannot be found out.

The Financial Post tried to get a prospectus of this company, to try and find out who, if anyone outside Toronto Securities, was backing it, and failed. Two shareholders say they did not see a prospectus when they purchased stock. One of these asked at the office of Toronto Securities for a copy of a prospectus and says the person whom he addressed, said he had never seen one, but that they were working on one.

Letters coming in from shareholders reveal the interesting fact that the mode of selling Dominion Lead was identical in two cases at least. The salesman first sold them Premier Gold Mine shares and incidentally called attention to the price of Dominion Lead on the Montreal Mining Exchange. Ten days later they returned, showed the increase that Dominion Lead had had in the interval—it moved up about a cent a day—and then switched them from Premier into Dominion Lead. In each case the purchaser found out later that the Dominion Lead he had purchased, was pooled to Dec. 1st of this year.

No sales in Dominion Lead have been recorded on Montreal Mining Exchange since Oct. 4, the price then being $1.67 to $1.69. The shares are evidently worthless to-day.

Dominion Lead appeared on the market on April 27, at $1.05 bid, $1.10 asked. It moved up steadily, never reacting one cent until two days before the break, when it sold to a high of $1.73, and then reacted to $1.69

As far as can be learned, the position of the stock, or the company, was not questioned by Montreal Mining Exchange. It was like a number of other ventures that appeared on that board, and which have given mining a severe set-back in Montreal.

Dominion Lead, it is understood, had a property — perhaps under option — near the Soo. It is understood that the board was made up of people, presumed to reside in New York, and the report on the company was credited to a New York engineer.

### Nipissing May Meet Three Montbray Payments Nov. 1

There is a well founded report going the rounds that Nipissing will clean off the payments due on its Montbray properties when the next payment falls due at the first of the month. There are three payments yet to be made and if, as reported, the whole is wiped off at once it would indicate that Nipissing is pretty well satisfied with the results of its exploration.

### HANDLING LEBEL ORO

Wolfe Carr & Co. is a new brokerage house recently opened in Toronto. It is understood to have the handling of the affairs of Lebel Oro Mines, adjoining Bidgood, on the west.

## MARKET SOFTENS DESPITE FLOOD OF REAL NEWS

### Mining List Seems to Lack Leadership for the Moment

### GOLDS ARE HOLDING

### Leading Issues Show But Very Slight Declines—Kirkland Lake Looks Good

The mining market is decidedly off color this week. How long this will continue, is difficult to guess. The break in New York and the fact that banks are tightening up on loans have been factors in the break and short selling and bear raids have egged on the downward movement considerably.

There is no leadership to the market for the moment. The Amulet situation is marking time. Kirkland Lake continues to provide the usual quota of good news, but seemingly this is being glossed over. The public is eager to grasp any wisp of good news when the market is boiling, but the most significant developments seem to act like a cold water shower when the prices are soft.

There have been no severe declines to speak of. A number of the weak issues, wild speculations, or gambles, are off several points. This is a lot for many of them. On the other hand, a number of the good stocks, notably Noranda and Amulet are off a couple of dollars, but the opinion prevails that these stocks are around the level where the insiders wanted them. They stayed at the bottom but one day, and then made a substantial recovery.

#### Golds Hold Firm

The leading gold stocks have been holding firm and may be expected to do so, even if there is a continued softening. The dividend paying golds are not subject to the ups and downs of business or money rates. They continue turning out gold bricks and paying dividends. In addition, the great programme of expansion which these mines have had under way is continuing. Lake Shore is opening up new levels and sinking its new shaft. Teck Hughes is opening new levels and pushing ahead the second unit of its high grade mill. Wright Hargreaves is being called for much higher prices and is looking well. Sylvanite shares are quite strong.

The attention on the eastern part of Kirkland Lake, due to Bidgood and Tough Lakes developments, while not as strongly reflected in the market, has by no means waned. Lebel Oro, another old Kirkland Lake stock has come back into the active list. It is understood that operations are to be pushed on this property which has been opened down to 200-ft. The capitalization of this operation is the lowest of any company operating in the north and whose shares are listed.

#### Watch Boston Creek

Boston Creek continues to command attention. Barry Hollinger development continues favorable. Quite a number of engineers have been in to look at this find and they all say that it is a different ore entirely to anything that has been heretofore found on the property. This makes this camp look like an excellent gamble and it will not surprise anyone to see a number of other companies take to this section.

The silver stocks have been quiet, but looking over the week to week transactions in these shares, one sees evidence that someone is gambling on the comeback in the silver issues.

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# HILLTOP WARRANTS EXPLORATION SAYS ENGINEER'S REPORT

## Barry Hollinger Manager Says Break on Property Longest and Strongest

Hilltop Gold Mines have notified shareholders of new financial arrangements, which have proven very successful to date, and at the same time, send some details of a report made by R. M. Treloar, manager of Barry Hollinger Gold Mines, who made an examination of Hilltop.

Regarding the new finances, the company says that a private syndicate composed of several of those instrumental in the organization of the company, undertook to carry on the financing. Up to date, this syndicate has been successful in its efforts, with the outlook distinctly favorable for providing the funds necessary for the complete development of the property.

All obligations have been paid, and a considerable amount of money is already assured for carrying on mining operations.

Plans are now being considered for preceeding with steady development at the mine. Shareholders will be informed of the decisions made. The intention is to go ahead with an aggressive campaign to ascertain the extent of the ore bodies at depth.

Mr. Treloar says the geology of Hilltop strikes him as entirely favorable for gold mining. The main fracturing that runs through the property from east to west boundary, averages from five to twenty feet.

Imbedded in the shearing is quite a distinct, highly-mineralized vein with varying widths from six inches to five feet, and in places free gold is found. These indications are no doubt the surface evidence of ore shoots at depth, and the ore bodies are probably deep-seated.

The main shearing that runs through Hilltop is one of the longest and strongest he has observed in the mining North.

He also saw a number of parallel veins which should be developed underground. There is a probability that some of these veins will join together at depth. The dip of these veins, inclining towards the main vein, clearly indicates that at 600 or 700 feet they should come together. It would likely be at this depth or deeper that the most interesting ore conditions should be found.

Hilltop from his observations, he says, justifies a complete underground development and should conditions prove to be as anticipated at depth, this would constitute, both because of its size (480 acres) it long vein system (1 mile and a quarter) and the consistent gold values found on surface, a most important factor in Northern Ontario gold production. He adds that the location is admirably adapted to mining, as to water supply, transportation, power, mill flow sheet and sanitary conditions for mining crew.

## Importance of Mining

The public too oftens ignores the importance of the mining industry as a factor in national prosperity, notwithstanding that it pays the major portion of the taxes collected in a score or more of states, furnishes direct employment to more than millions of citizens, and indirectly to several times that number, provides more than 50 per cent. of the annual freight tonnage of the railroads of most of the conveniences and luxuries of life.

Mining is a basic industry. The miner is one of the primary developers of natural wealth. The industry merits every possible encouragement. And the public as well as the state and federal governments should guard and protect it against every move that might jeopardize the stability it has created largely as the result of the efforts of those who have devoted their lives and fortunes to its development, improvement and expansion.

—From U.S. Mining Congress Journal.


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### MINING STOCK QUOTATIONS
Week Ending October 25

| | Par Val. | Div. Rate | Yield | High for wk. | Low for wk. | Close Oct. 25 | Sales for wk. | Range 1926 High | Range 1926 Low | Range 1927 High | Range 1927 Low |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Abana | 1 | .... | .... | 3.60 | 3.40 | 3.44 | 1650 | .... | .... | 4.05 | .20 |
| Aconda | 1 | .... | .... | 25 | 21 | 22 | 36810 | .... | .... | 45 | 14½ |
| Afton | . | .... | .... | 1.10 | 1.10 | 1.10 | 200 | .... | .... | 1.10 | 1.00 |
| Algonquin | 1 | .... | .... | 3 | 2½ | 2¾ | 40600 | 6¼ | 1½ | 5¼ | 2 |
| Allied M. | 1 | .... | .... | .... | .... | .... | .... | .... | .... | 5.51 | 2.70 |
| Amal. Copper | . | .... | .... | .... | .... | .... | .... | .... | .... | 4.59 | 3.01 |
| Amity C. | . | .... | .... | 39 | 32½ | 33 | 160125 | .... | .... | 39 | 24½ |
| Amos | . | .... | .... | .... | .... | .... | .... | .... | .... | 56 | 15 |
| Amulet | 1 | .... | .... | 5.75 | 4.90 | 5.05 | 214230 | 2.98 | .90 | 7.10 | .85 |
| Apex | 1 | .... | .... | .... | .... | .... | .... | 6 | 2¾ | 3½ | 1 |
| Area | 1 | .... | .... | .64½ | .57 | .57 | 265060 | 1.55 | .21 | 1.95 | .23 |
| Argo. Con. | 1 | .... | .... | 45 | 38 | 38 | 206268 | 76 | 18½ | 59 | 25 |
| Archean | . | .... | .... | .... | .... | .... | .... | .... | .... | 18 | 17 |
| Atlas | 1 | .... | .... | 4¼ | 3½ | 3½ | 48800 | 5 | 1⅛ | 7 | 2 |
| Bedford | . | .... | .... | 26½ | 25 | 26 | 8200 | .... | .... | 30¾ | 27 |
| Baldwin | 1 | .... | .... | 2¾ | 2½ | 2¾ | 103100 | 6⅛ | 1 | 4¾ | 1 |
| Bard | . | .... | .... | .... | .... | .... | .... | .... | .... | 1.59 | .25 |
| Barry Holl. | 1 | .... | .... | .95 | .90 | .92½ | 402805 | 1.00 | .21 | 1.00 | .25 |
| Beaver | 1 | .... | .... | 1.89 | 1.75 | 1.78 | 40375 | .99 | .51 | 2.03 | .59½ |
| Bellellen L. | 1 | .... | .... | .... | .... | .... | .... | 23½ | 20 | 23½ | 9 |
| Bidgood | 1 | .... | .... | 90 | 81 | 85 | 487122 | 9⅛ | 4½ | 96 | 5 |
| Boischatel | None | .... | .... | 4½ | 4 | 4½ | 14500 | .... | .... | 27 | 3 |
| Boston Creek | 1 | .... | .... | .... | .... | .... | .... | 7½ | 2½ | 1 | ½ |
| Bourlamaque | 1 | .... | .... | .... | .... | .... | .... | 1.45 | 1.02 | 1.53 | .50 |
| Brit. Unit | . | .... | .... | .... | .... | .... | .... | .... | .... | 88 | 76 |
| Buckingham | 1 | .... | .... | 5 | 4 | 4 | 31000 | 7¾ | 2 | 9½ | 3 |
| Bunker Hill | 10 | .... | .... | .... | .... | .... | .... | .... | .... | 160 | 75¾ |
| Can. Lorrain | 1 | .... | .... | 18 | 17 | 17 | 8700 | 93 | 57 | 72 | 10 |
| Capitol S. | 1 | .... | .... | 23½ | 18 | 22 | 84900 | 48½ | 24 | 34 | 14 |
| Capitol R. | . | .... | .... | 14 | 12½ | 13½ | 171600 | 43 | 26 | 54½ | 10 |
| Castle Tre. | 1 | .... | .... | .85 | .75 | .78 | 27770 | 1.85 | .91 | 1.27 | .61 |
| Cen. Manitoba | 1 | .... | .... | 1.93 | 1.68 | 1.75 | 34140 | .... | .... | 2.10 | 1.07 |
| Chaput H. | 1 | .... | .... | 14 | 12½ | 13 | 153600 | 22 | 3⅛ | 15 | 4⅛ |
| Clifton | 1 | .... | .... | 1 | ½ | ¾ | 3000 | 6½ | 1 | 3½ | ½ |
| Coast Copper | 5 | .... | .... | 15.00 | 14.75 | 14.75 | 150 | .... | .... | 22.00 | 9.75 |
| Col. Kirk | 1 | .... | .... | 7 | 5 | 6 | 531600 | 6¾ | 2 | 8 | 1½ |
| Comm. Mines | None | .... | .... | .... | .... | .... | .... | .... | .... | 1.50 | .71 |
| Coniagas | 5 | .... | .... | 5.00 | 4.40 | 4.40 | 350 | 4.85 | 3.00 | 5.05 | 3.20 |
| Coniaurum | 5 | .... | .... | 5.00 | 4.75 | 4.95 | 2253 | 4.60 | 3.00 | 5.30 | 2.80 |
| Cons. Smelter | 25 | 10+5 | 1.01 | 256 | 241 | 247½ | 6875 | 265 | 177¾ | 270 | 215 |
| C. W. Dome | 1 | .... | .... | 9 | 8 | 8½ | 15400 | 29½ | 14 | 19 | 4 |
| Copper Hill | 1 | .... | .... | 67 | 64 | 64 | 3000 | .... | .... | 68 | 49 |
| Copper Sul. | . | .... | .... | .... | .... | .... | .... | .... | .... | 1.00 | 1.00 |
| Corona | 1 | .... | .... | 18 | 15 | 15¼ | 111850 | 37½ | 20 | 37 | 10 |
| Crown Res. | . | .... | .... | 58 | 52 | 52¼ | 75671 | .... | .... | 59½ | 39 |
| C. American | . | .... | .... | .... | .... | .... | .... | .... | .... | 1.30 | 1.26 |
| Davidson | 1 | .... | .... | 2 | 2 | 2 | 3000 | 3 | 1½ | 3 | 1 |
| Destor | 1 | .... | .... | .... | .... | .... | .... | 41 | 40 | 43 | 25 |
| Dome Mines | None | $1 | 9.51 | 11.00 | 10.00 | 10.50 | 13382 | 20.00 | 8.00 | 11.65 | 6.85 |
| Dom. Lead | . | .... | .... | .... | .... | .... | .... | .... | .... | 1.73 | 1.05 |
| Dom. Kirk | 1 | .... | .... | 9 | 7 | 8 | 70600 | .... | .... | 12 | 1½ |
| Don. Rouyn | 1 | .... | .... | 28 | 25 | 25 | 20260 | 61 | 25 | 56½ | 17½ |
| Dorion | . | .... | .... | .... | .... | .... | .... | .... | .... | 4.00 | 1.02 |
| Dubec | . | .... | .... | .68 | .64 | .65 | 1670 | .... | .... | 1.48 | .35 |
| Dunwell | 1 | .... | .... | .... | .... | .... | .... | .... | .... | 1.51 | 1.50 |
| Duprat | 1 | .... | .... | 13¼ | 13 | 13 | 170690 | .... | .... | 21 | 10 |
| Dupuy | 1 | .... | .... | 65 | 58 | 61 | 6400 | .... | .... | 79½ | 9 |
| East. Metal | 1 | .... | .... | .... | .... | .... | .... | .... | .... | 18.25 | 10.00 |
| East. Que. | . | .... | .... | .... | .... | .... | .... | .... | .... | 2.75 | 2.00 |
| Everett | 1 | .... | .... | 2 | 1¾ | 1¾ | 5000 | 12¼ | 3¾ | 5½ | 1¾ |
| Federal Kirk. | 1 | .... | .... | 60 | 45 | 54 | 61810 | .... | .... | 60 | 40 |
| Fiske | 1 | .... | .... | .... | .... | .... | .... | .... | .... | 30½ | 5 |
| Fisher, Que. | 1 | .... | .... | .... | .... | .... | .... | .... | .... | 2.20 | .50 |
| Gifford | 1 | .... | .... | .... | .... | .... | .... | .... | .... | 1¾ | ½ |
| Gladstone | 10 | .... | .... | .... | .... | .... | .... | .... | .... | 29 | 14 |
| Goldale | 1 | .... | .... | 38 | 36½ | 36½ | 65700 | 43 | 24 | 40¾ | 20 |
| Gold Hill | 1 | .... | .... | 35 | 30 | 30 | 184390 | 73½ | 25 | 54 | 22 |
| Gold Ore | . | .... | .... | 1.75 | 1.75 | 1.75 | 100 | .... | .... | 2.45 | .90 |
| Gold Reef | 1 | .... | .... | 2 | 1 | 1⅛ | 18000 | 5 | 1 | 2½ | ½ |
| Granada Rouyn | . | .... | .... | 19 | 15½ | 17 | 278050 | .... | .... | 23 | 14½ |
| Grover Daley | 1 | .... | .... | 20 | 15¼ | 15½ | 117350 | 32 | 18 | 37 | 8 |
| Harvie Exp. new | . | .... | .... | 1.80 | 1.00 | 1.25 | 20670 | .... | .... | 2.40 | 2.00 |
| Haultain | 1 | .... | .... | .... | .... | .... | .... | .... | .... | 15 | 14 |
| Hillcrest c. | 100 | 6 | 10.00 | .... | .... | .... | .... | 65 | 55 | 65 | 60 |
| Hillcrest, pref. | 100 | 7 | 8.43 | .... | .... | .... | .... | 83 | 79½ | 87 | 81¾ |
| Hilltop | 1 | .... | .... | 19 | 16 | 18 | 82250 | 31¾ | 20 | 24 | 6½ |
| Hollinger | 5 | 26 | 7.62 | 17.85 | 17.00 | 17.05 | 5560 | 21.00 | 16.75 | 22.65 | 16.40 |
| Howey Gold | 1 | .... | .... | 1.10 | .99½ | 1.08 | 200200 | .... | .... | 1.05 | .42 |
| Huron | . | .... | .... | .... | .... | .... | .... | .... | .... | 1.09 | 1.02 |
| Indian | 1 | .... | .... | .... | .... | .... | .... | 14½ | 2¾ | 12 | 4 |
| Int. Nickel | $25 | 2 | 3.07 | 69 | 63¼ | 65⅛ | 59020 | 46 | 32¾ | 75 | 38 |
| Jackson M. | 1 | .... | .... | 68 | 53 | 65½ | 530450 | .... | .... | 68 | 36 |
| Jay Copper | . | .... | .... | .... | .... | .... | .... | 1.10 | .73 | 1.26 | .30 |
| Kamisko | . | .... | .... | .... | .... | .... | .... | .... | .... | 10.75 | 7.26 |
| Kamiskotia R. | 10 | .... | .... | .... | .... | .... | .... | .... | .... | 10.80 | 10.20 |
| Keeley | 1 | 24 | 3.00 | .86 | .80 | .80 | 15475 | 1.91 | 1.39 | 1.66 | .70 |
| Keora M. | 1 | .... | .... | 3½ | 3 | 3 | 2500 | 22 | 11 | 13½ | 2 |
| Kirk. G.B. | 1 | .... | .... | .... | .... | .... | .... | .... | .... | 1.92 | .75 |
| Kirk. Hunt. | 1 | .... | .... | 25 | 21 | 22¼ | 166858 | 34 | 8½ | 35 | 10 |
| Kirk. Lake | 1 | .... | .... | 2.65 | 2.30 | 2.38 | 250105 | 1.44 | .69 | 2.80 | .82 |
| Lebel Oro | 1 | .... | .... | 30 | 30 | 30 | 3000 | .... | .... | 30 | 30 |
| La Rose | 1 | .... | .... | 5 | 5 | 5 | 2000 | 39 | 4 | 12 | 3 |
| Lake Shore | 1 | 40+10 | 1.86 | 27.50 | 26.50 | 26.80 | 7250 | 16.50 | 9.50 | 28.20 | 15.40 |
| Lakeside L. | 1 | .... | .... | 1⅛ | 1 | 1 | 36600 | 10 | 1⅛ | 6 | ¾ |
| Laurier | None | .... | .... | .... | .... | .... | .... | .... | .... | 65 | 51 |
| Laval | 1 | .... | .... | 42 | 34½ | 36½ | 341435 | 45¼ | 21 | 75 | 19½ |
| Lorrain C. | 1 | .... | .... | 1⅛ | 1 | 1 | 9500 | 15 | 2 | 3¼ | 1 |
| Lorrain T.L. | 1 | .... | .... | .65 | .60 | .65 | 600 | 1.10 | .30 | .86 | .25 |
| Lucky Jim | 10c | .... | .... | .... | .... | .... | .... | .... | .... | 21 | 20 |
| Macassa | 1 | .... | .... | 50 | 40 | 47½ | 241700 | 43 | 22 | 51 | 18 |
| Malartic | . | .... | .... | 38 | 32 | 34 | 311150 | .... | .... | 38 | 23½ |
| Marclay | 1 | .... | .... | .... | .... | .... | .... | 35 | 20 | 42 | 34½ |
| Marriott | 1 | .... | .... | 41½ | 40 | 41 | 6450 | .... | .... | 45 | 35 |
| McDougall | 1 | .... | .... | 73 | 65 | 66¼ | 66700 | .... | .... | 90 | 24 |
| McKinley | 1 | .... | .... | 17½ | 17 | 17½ | 4500 | 26 | 8½ | 25½ | 11 |
| McIntyre | 5 | 20 | 3.57 | 29.00 | 28.00 | 28.00 | 9269 | 29.75 | 22.70 | 29.00 | 24.00 |
| Mentor | 10 | .... | .... | 12.10 | 12.10 | 12.10 | 10 | .... | .... | 12.75 | 12.00 |
| Millcrest | 1 | .... | .... | 4 | 3¼ | 3¼ | 1100 | 21½ | 3½ | 7½ | 2 |
| Mining Corp. | 5 | 25c | .... | 4.08 | 3.62 | 3.95 | 54890 | 4.45 | 2.60 | 4.08 | 2.90 |
| Moneta | 1 | .... | .... | 11 | 10 | 11 | 2500 | 18 | 11 | 15½ | 8¾ |
| Montreal R. | 1 | .... | .... | 19 | 16 | 17 | 9200 | 60 | 13 | 33 | 10 |
| M'tchatel | 1 | .... | .... | .... | .... | .... | .... | .... | .... | 43 | 19 |
| N. A. Dev. | . | .... | .... | .... | .... | .... | .... | .... | .... | 2.10 | .30 |
| N. A. Lead | 1 | .... | .... | .... | .... | .... | .... | 1.75 | 1.50 | 2.75 | 1.00 |
| Newbec | 1 | .... | .... | .91 | .75 | .75 | 284750 | .... | .... | 1.20 | .67 |
| Newray | 1 | .... | .... | 50 | 50 | 50 | 8 | 45 | 31 | 50 | 28 |
| Night Hawk | 1 | .... | .... | 6 | 4¾ | 6 | 26850 | 17 | 3¼ | 10½ | 4½ |
| Nipissing | 5 | 6 | 4.00 | 7.75 | 6.90 | 7.50 | 63250 | 9.25 | 4.95 | 10.30 | 5.25 |
| Noranda | None | .... | .... | 26.70 | 25.20 | 25.65 | 35490 | 24.75 | 12.00 | 28.50 | 19.95 |
| Ophir | 1 | .... | .... | 2¾ | 2 | 2¼ | 16000 | 4¼ | ½ | 4⅛ | ¾ |
| Ontario L.C. | . | .... | .... | .... | .... | .... | .... | .... | .... | 1.30 | 1.03 |
| Osisko | . | .... | .... | .42 | .40 | .40 | 5000 | 1.94 | 1.05 | 1.75 | .35 |
| Pawnee Kirk | 1 | .... | .... | 70 | 68 | 70 | 1200 | .... | .... | 70 | 68 |
| P. L. Cobalt | 1 | .... | .... | 5 | 4 | 4 | 11000 | 32 | 14½ | 18 | 2 |
| Porc. Crown | 1 | .... | .... | 9 | 6 | 6¾ | 69000 | 12 | 4 | 11 | 3 |
| Pioneer | 1 | .... | .... | .65 | .60 | .61 | 73600 | 1.22 | .66 | 1.18 | .53 |
| Potter Doal | None | .... | .... | 17½ | 14 | 15½ | 218300 | .... | .... | 65 | 10½ |
| Power & Mines | None | .... | .... | .... | .... | .... | .... | .... | .... | 1.70 | .75 |
| Prec. Metal | 1 | .... | .... | .... | .... | .... | .... | .... | .... | 22.00 | 20.00 |
| Premier Gold | 1 | 32 | 14.22 | 2.30 | 2.25 | 2.25 | 5980 | 2.75 | 1.83 | 2.50 | 1.86 |
| Preston | 1 | .... | .... | 4½ | 4½ | 4½ | 5000 | 9⅛ | 4 | 7 | 3 |
| Ribago | 1 | .... | .... | 40 | 35 | 35½ | 373450 | .... | .... | 87 | 13 |
| Rouyn | 1 | .... | .... | 4 | 3¾ | 3¾ | 8600 | 9 | 1⅛ | 5 | 1 |
| Rouyn C. | 1 | .... | .... | .... | .... | .... | .... | .... | .... | 4.28 | 1.15 |
| Rouyn K. | . | .... | .... | .... | .... | .... | .... | .... | .... | 1.10 | .73 |
| Rouyn, Que. | 1 | .... | .... | .... | .... | .... | .... | 4½ | 1¼ | 4⅛ | 1 |
| Rubec | 1 | .... | .... | 3.65 | 3.50 | 3.65 | 1227 | .... | .... | 3.65 | 1.10 |
| San Antonia | . | .... | .... | 36 | 30 | 32 | 48800 | .... | .... | 36 | 30 |
| Siscoe | 1 | .... | .... | .... | .... | .... | .... | .... | .... | 60 | 12 |
| South Keora | 1 | .... | .... | .... | .... | .... | .... | 35½ | 5 | 64½ | 4½ |
| Stadacona | None | .... | .... | 25 | 22 | 22 | 157050 | 51 | 40 | 55 | 13 |
| St. Anthony | 1 | .... | .... | 45 | 37 | 42 | 67000 | .... | .... | 60 | 16 |
| Sud. Basin | 1 | .... | .... | .... | .... | .... | .... | .... | .... | 4.00 | 4.00 |
| Sylvanite | 1 | .... | .... | 4.65 | 4.40 | 4.40 | 10345 | .... | .... | 4.80 | 2.60 |
| St. Law. Zinc | . | .... | .... | .... | .... | .... | .... | .... | .... | 82 | 72 |
| Simard Un. | . | .... | .... | .... | .... | .... | .... | .... | .... | 1.18 | 1.14 |
| Timiskaming | 1 | .... | .... | 10 | 9 | 9 | 20500 | 15¼ | 6 | 10 | 4 |
| Teck Hughes | 1 | 10c | .98 | 10.90 | 10.15 | 10.15 | 73057 | 5.55 | 2.64 | 11.35 | 5.37 |
| Thomp. Krist | 1 | .... | .... | .... | .... | .... | .... | 3½ | 1 | 1 | ½ |
| Tough Oakes | 1 | .... | .... | 62 | 56 | 60 | 379890 | 66 | 36 | 70 | 25 |
| Towagmac | 1 | .... | .... | 4.80 | 4.50 | 4.50 | 16675 | 6.10 | 3.15 | 5.75 | 2.85 |
| Treadwell Y. | 1 | .... | .... | 26.75 | 21.00 | 21.50 | 2760 | .... | .... | 26.75 | 21.00 |
| United Cop. | . | .... | .... | .... | .... | .... | .... | .... | .... | 5.32 | 3.00 |
| Vic. Silver | 1 | .... | .... | 3½ | 1½ | 1¾ | 35000 | 96 | 3⅛ | 14 | 1½ |
| Vickers | 1 | .... | .... | .65 | .60 | .65 | 10150 | 1.22 | .13 | 1.52 | .25 |
| Vipond | . | .... | .... | .64 | .61 | .61 | 67825 | 2.02 | 1.49 | 1.75 | .47 |
| Wakenda | 1 | .... | .... | 3 | 3 | 3 | 1000 | 3¾ | 1 | 5 | 1 |
| Wasapika | 1 | .... | .... | .... | .... | .... | .... | 4 | 1 | 2 | 1 |
| West D. Lake | 1 | .... | .... | 18 | 16 | 16 | 36755 | .... | .... | 20 | 8 |
| West Tree | 1 | .... | .... | 4½ | 3 | 3 | 10500 | .... | .... | 4½ | 1 |
| Wettlaufer | 1 | .... | .... | .... | .... | .... | .... | 10 | 2 | 4¾ | 1½ |
| Wiltsey C. | 1 | .... | .... | 59 | 57 | 57 | 46400 | .... | .... | 59 | 50 |
| Wright Har. | None | 20c | 2.72 | 7.85 | 7.20 | 7.33 | 73230 | .... | .... | 8.85 | 5.50 |
| Ajax Oil | 1 | .... | .... | 44 | 30½ | 38 | 41200 | .... | .... | 44 | 6½ |
| Trojan Oil | . | .... | .... | .... | .... | .... | .... | .... | .... | 8.60 | 4.00 |
| Vac. Gas | 1 | .... | .... | 13 | 9½ | 11 | 22200 | .... | .... | 26 | 8 |


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# Mining Inquiries

## Atlas Gold

Let me have your opinion on Atlas Mines.

Atlas Gold Mines is in Westshining Tree district. It has been kicked around for a number of years and never got anywhere. We consider the shares quite unattractive.

## Hillcrest Collieries

I hold 10 shares of Hillcrest Collieries. How do you consider this?

Hillcrest Collieries is a well handled operation. It has this weakness, that the market for its product is somewhat limited. For some years the company has suffered from labor troubles, but these seem now at an end.

## Treadwell-Yukon

What do you think of the chances of Treadwell-Yukon for appreciation?

Treadwell Yukon common shares are selling around $22. The company has 1,000,000 outstanding. While it has a number of operations, the Errington Mine at Sudbury, seems to rank most important. The company proposes to finance this by the issue of preferred shares which will be offered common shareholders from time to time. The rights will be valuable. The shares look attractive for a hold.

## Victory Gold

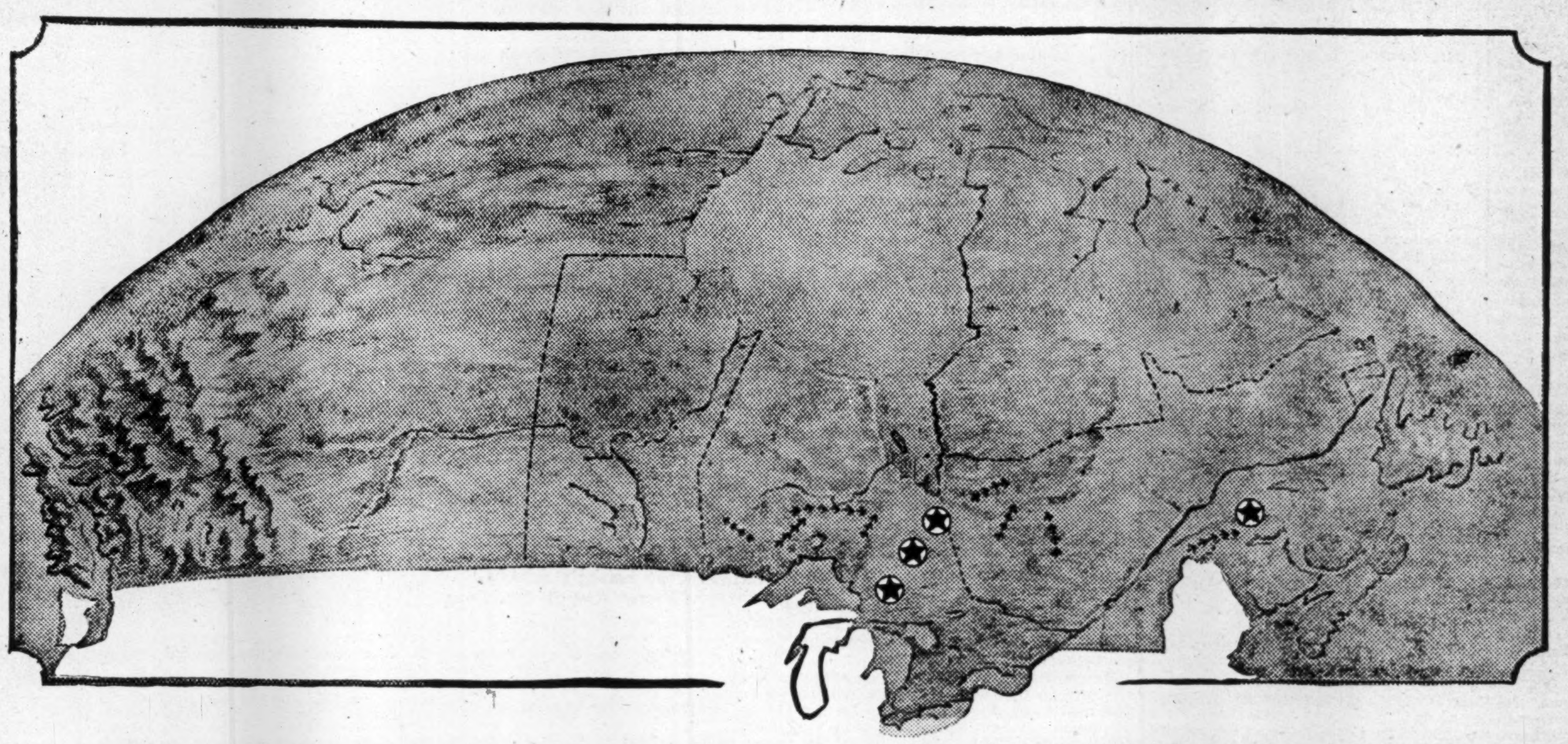
A copy of Financialistic Debater was put in my hands a few days ago and I note it strongly advises purchase of Victory gold selling at 4.62½ but that the stock would soon be up to $10 or $25 per share. I do not see any quotations in Western papers or Financial Post. What do you think of it?

Victory Gold shares as quoted and boosted by Financialistic Debater are quite unattractive. This proposition was refused listing on Standard Exchange in Toronto. A New York group optioned a block of the shares. Part of these have been listed on Boston curb, and then by the use of the tipster sheet, Financialistic Debater, the market has been run up. One of these days, the shares will go down much faster than they went up. It is the history of such ventures.

## Abana Mines

Abana stock has been recommended to me. Is it a good speculative investment?

Abana looks quite attractive for a hold. The property is opened down to 300 feet, and results met with have confirmed a considerable amount of the diamond drilling. A large ore body is indicated. The company is in good financial position and should get around to production sometime in 1928.

FOR more than two years a group, made up of some of the leading mining interests of Canada, has been engaged in extensive and systematic mining exploration and in the creation of an organization embracing every element essential to success in this branch of the mining industry. Field scouts, prospecting parties and engineers have been and are in touch with every mining movement and development in Eastern Canada; new fields have been penetrated and the older fields, probably the richest hunting ground for new ore deposits, have been carefully combed. The group of properties finally selected represents a combination of precious and base metals, and a combination of facttors which give each one an out-of-the-ordinary possibility of brilliant success. They also represent various stages of development from the highly advanced to the earlier steps of development.

Experienced mining men will quickly recognize the good fortune that has brought into one Company two such mining opportunities as those provided by the Sudbury property, in its particular relationship to the great Bunker Hill-Sullivan ore body, and the well-known Harker Mine in Lightning River district.

*In the Sudbury Basin*

The Company will operate a property adjoining what is conceded to be the greatest mining development in Canada in the past decade, the Bunker Hill-Sullivan mine in the Sudbury Basin. This has been estimated by the President, Mr. F. W. Bradley, to contain lead, copper and zinc ore to the value of $1,300,000,000. The development of this field is largely in the hands of two great American companies, the Bunker Hill-Sullivan Company and the National Lead and Zinc Corporation. Adjoining them, and so situated as to hold reasonable promise of having a place on the main ore body, is the property under option to this company. This is probably the most advantageous location in the district looking to an all-Canadian participation in this amazing storehouse of mineral.

It is proposed to carry on immediately surface development and diamond drilling to ascertain exact geology and ore conditions in the formations identical with those of the companies now engaged in the two major operations in the field.

*The Heather Lake Area*

After two years' work had been performed on the properties of Heather Lake Gold Mines Limited, following important gold discoveries, the company took over the operation of this well-directed attempt to prove the existence of an important new goldfield close to the railway and other mining facilities of Northern Ontario.

The property comprises 2,960 acres and embraces some eighteen groups of claims. A shaft is now being put down on one of the most important discoveries and a large field force has been engaged in stripping and trenching.

Bearing the same relations to the granite intrusives as other Ontario gold camps, and with typical gold-bearing formation, including a very large body of porphyry, the effort constitutes one to which public interest is bound to turn because of the possibility it holds for the bringing in of a new camp in the very heart of a long-discovered but wholly undeveloped district.

*The Harker Mine*

An agreement has been entered into between the Exploration Company of Canada Limited and the Harker Gold Mines Limited (no personal liability) for the complete development of the Harker Mine in the Lightning River district.

This may be fairly described as one of the outstanding gold mining possibilities in a province where new and old fields alike are demonstrating the gold-bearing possibilities of the North.

This is a highly developed operation, exhaustively examined at various stages and endorsed by the following engineers:

Horace Young, M.E. John C. Rogers, M.E. H. C. Boydell, M.E.
C. H. Hitchcock, M.E. H. B. Robinson, M.E.

In association with the present Harker Board, an operation designed to bring the mine into production is being planned and will be commenced immediately.

*Gaspe Field*

The Company holds outright a group of claims approximately 2,000 acres in the lead-zinc field of Gaspe, Quebec, and is pursuing an active programme of exploration.

Gaspe is a new field insofar as modern prospecting is concerned, but is regarded as a potential mining area of vast possibilities. A number of the larger Canadian Companies are carrying out systematic work and this Company was fortunate in securing a group of claims which in geological structure and the degree of mineralization presents one of the best opportunities in the district. This may be regarded as a prospect in the very early stages with all surface evidence pointing to the presence of large ore deposits.

With a diversified group of operating properties, any one of which may be developed into a producer in a reasonable period, the work and organization of the exploration unit also covers a range of prospecting and scouting activities extending from the Manitoba boundary eastward to the limits of the Quebec field. Several notable discoveries have been made during the summer and a number of claims staked, but it is too soon to determine their worth. A number of prospects are in course of examination and those regarded as worthy of further development will be optioned.

*The foregoing is in the nature of an official preliminary announcement as to the programme of the Company. The stars in the above map indicate the approximate location of properties to be operated; the small arrows show the area in which field parties have been engaged.*

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# Air Full of Rumors as to Possible Deal on Amulet

## Weakness in Noranda to $25, and Amulet to $5 Supported 5-1 Theory

The air is full of gossip about Amulet. Conjecture is of all kinds. Some official news is keenly awaited. It is understood that the first negotiations with Noranda fell through. Amulet's terms were said to be too stiff.

Meanwhile the price of both Noranda and Amulet shares eased materially. Noranda backed up to $25 and Amulet to $5. The movement in the two stocks was most significant in light of the talk that Noranda would like to get Amulet on a 5 for one share basis.

Another phase of the gossip is that if a deal is not consummated immediately, Amulet will proceed with refinancing and that shareholders will be offered new stock at $2.50 and allowed to take up one share for each two held. Such a deal seems a little extravagant. It would give Amulet $2,500,000 and it is difficult to see the need for such a large sum. The company will require a substantial sum for underground development and an equally large sum if it decides to build a concentrator of its own, but hardly such a sum as would be secured by selling 1,000,000 shares at $2.50. On the other hand, the company might issue only half this number of shares or might issue the million and make the price lower. Either way is bound to be beneficial to shareholders, the degree being in a measure dependent on the number of shares offered and the price, as both these would be factors in value of the rights and number of rights per share now held.

There is no doubt but what the leaders in Amulet are leaving the stock severely alone for the present, though there are some who express the opinion that they may be helping along the bearish movement in the issue. During the past ten days there has been considerable spectacular news regarding diamond drilling on the property, but not only did this fail to move the shares up, but they have steadily moved downward to below $5 in the face of it.

### Will Timmins Inc. Turn Amulet Control Over to Noranda Operation?

Will the ultimate outcome of the Noranda-Amulet situation be the same as that of the Alderson-MacKay, Waite-Montgomery mines situation.

N. A. Timmins Inc. purchased 65 per cent. of the Alderson-MacKay mine from Towagmac Mines and about 80 per cent. of the Waite-Montgomery and then sold these interests to Noranda for stock in the latter company.

Mr. Timmins is known to be a large holder of Amulet. Whether or not he has control, is unknown. Some say yes, others no. Undoubtedly all are guessing.

It is said that Mr. Timmins will step into the presidency of Amulet, succeeding R. E. Popham.

The latest thought is that Mr. Timmins will sell his interest in Amulet to Noranda as he did in the other two instances. Noranda will put these shares in its treasury and leave the minority interest in the hands of the public. It would seem that no matter whether Noranda deals with Mr. Timmins or with the Amulet Co., it would have to, in either case, increase its capitalization.

## DEWATER HARKER MINE IMMEDIATELY

### Canadian Exploration Takes Up Proposition with Some Others

Plans are under way for the immediate pumping out of the Harker Gold Mines anr the resumption of exploratory work under the direction of Horace Young, manager of Howey Gold Mines. Mr. Young sank the shaft on Harker, which is now down about 800 ft. The property is regarded as one of the most promising latent operations in the north country.

Canadian Exploration, a newly organized, well financed venture is going in with Jack Hammell, president of Harker, to reopen the property.

Canadian Exporation has, in addition, two attractive groups, one in Sudbury, known as the McPherson and which adjoins the Bunker Hill Sullivan on the west. The other is Hether Lake Gold property which is a pioneer effort. It is located near Elk Lake and takes in a group of claims to the south of the silver belt. The geology is ideal and some excellent looking ore has come out of the section.

## Smelters Control Big Missouri Mine Valuable Property

From Our Own Correspondent

MONTREAL. — The Consolidated Mining & Smelting Co. has confirmed the rumor that it holds an option on the controlling interest in the Big Missouri, a gold and silver property in the Portland Canal district, and that development work there is being carried on vigorously.

The Big Missouri is a promising property. In the twelve months ending May last, the owners spent $250,000 in development and uncovered sufficient ore to assure a big mine. In July last, a rich discovery was announced and arrangements are going ahead, so it is said, for the erection of a mill.

Regarding the current position of Consolidated Smelter, The Financial Post learns from the company that operations are proceeding in the usual way and that no official information will be given out except to the shareholders through the usual channels—that is the quarterly, semi-annual and annual reports. Thus it is impossible to ascertain from official sources any information on the current gossip which indicates that profits have increased largely of recent months.

In reference to a news item that recently appeared to the effect that arrangements had been completed by the Coast Copper Company with the Federal Government for the construction of a large wharf at Jeunee Landing to accommodate heavy mining machinery, and that the construction of a smelter on Vancouver Island was contemplated, the company informed The Financial Post that while a new wharf was being built at Jeunee Landing this was because the old one was out of repair. No consideration was being given to the construction of a smelter on Pacific tidewater, it was added.

### LUCKY JIM MILL NEAR READY

Lucky Jim at Zincton, B.C., has nearly completed its 200-ton mill, part of the machinery having already been placed on the concrete bases. Two bunkhouses and an assay office have been built. Sixty-five men are employed in construction work, in addition to the mine crew. Victoria Syndicate has purchased control of this operation.

## MOND SHARES HAVE SHARP RISE TO 65 SHILLING LEVEL

### No News Available—Recently Broke to 47 on Worthington Crash

Mond Nickel ordinary shares sold up to 65 shillings this week. No one seems to be able to offer any explanation for this spectacular rise. A week or so ago, the shares broke down from around 55 to 47 shillings on the receipt in London of the news of the cave-in on the company's Worthington property. What caused the shares to snap back and then record a new high, cannot be learned.

There has been no outstanding news available in regard Mond, other perhaps than the announcement that the shaft on Frood Extension mines would be carried down from 2,000-ft. It may be that the results of the deep diamond drilling on this property have become public in London. This drilling has been going on from the 2,000-ft. level and the company was looking forward to cutting the same high grade ore that International Nickel encountered in drilling its portion of the Frood ore body. International got high grade copper ore and high platinum values. At 2,000-ft. Mond got high copper values, not so high as International and did not have the high platinum values. It is understood that these values showed in the International ore around 2400-ft.

## TRIAL OF BROKERS WILL EXPOSE METHOD

### Will Reveal How Easy it is to Hoodwink Public

It is said that certain brokers facing charges of fraud or manipulation or both, are proposing that if the charges are dropped, they will return the moneys allegedly taken from clients in the manner charged. The bulk of the moneys involved are tied up in banks and will remain so until the charges are disposed of.

It is not impossible that one of the outcomes of such trials, whether there was a conviction or not, would be an order for the return of these moneys to the rightful owners.

A searching trial of the charges might prove beneficial. It would result in complete exposure of the methods involved. The public would see what dupes they are. They would see how easily the fly-by-night brokers from across the line can come into the Dominion and operate without molestation.

### Sam Sainsbury Launches New Brokerage House

Sainsbury, Nevitt & Co. is the name of a new brokerage house recently launched. Sam Sainsbury is an old prospector, with years of experience behind him in the north, and more recently with brokerage houses in Toronto. Mr. Nevitt was with the firm of James & Co., and prior to that, Pellatt & Pellatt.

### DRIVING LONG TERMINAL

Kootenay-Florence mine, B.C., has now reached the 1,850-foot mark in its lake level tunnel at Ainsworth, B.C., to be 3,250 feet long. This operation is being financed in Ontario.


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## TUNING UP MILL ON CENTRAL MAN. AT PRESENT TIME

### Stoping Continues — Outlook in Northern Manitoba Excellent

WINNIPEG.—The mill at Central Manitoba Mines is undergoing trials at present and is expected to be running normally some time in November. Some 1,200 feet of stoping ore have been disclosed at the 125 ft. level and payable values in this zone proved as deep as 50 ft. below the 375 ft. level. This quartz continues as wide and strong to the deepest point reached—250 ft. below the 375 ft. level. Development on the 625 ft. level will commence shortly.

A new exploratory winze from the 375 ft. level at a point 600 ft. west of the main winze has reached a depth of 80 ft. It encountered a new ore shoot which is not known elsewhere. Further work will be done on this. Some narrow lenses of good ore found in the Growler shaft are also to be explored. The 375 ft. level will be pushed eastward to explore a new section of ground approximately 1,600 ft. long on which surface trenches have shown the existence of at least one well-defined lode with some encouraging values.

Work on the Tene 6 shaft has shown that the wide and high-grade quartz encountered on the surface narrows at depth. Drifting, cross-cutting and diamond-drilling at the 140 ft. level will be undertaken in an effort to explore other shear zones known at the surface.

The shaft on the Rogers vein, 500 ft. southeast of the Tene 6 shaft has cut better showings than are on the surface. This shaft is now down 100 ft. and at this depth 230 ft. of drifting has been done, proving the vein to be wider and carrying ore of stoping grade over the entire length.

Construction of an aerial ropeway to these eastern sources of ore will be deferred until development is further advanced. Hence for the first year the mill will be working on Kitchener ore.

**San Antonio Mines**

San Antonio Mines, Ltd., with a capitalization of 2,000,000 shares, has been organized to take over the property, the Wanipigow Syndicate receiving a bloc for the $120,000 it has spent. Unit holders of the San Antonio Syndicate are to receive 303 shares for each unit. San Antonio Mines, Ltd., shares have been listed in Toronto.

The Island Fraction shaft is now down 200 ft. and will be carried at least 100 ft. deeper, probably within the next 2 months. The big hoist, blacksmith shop, etc., have been transferred from the No. 1 shaft to this operation. Approximately 2,000 ft. of lateral work has been done on the property.

**Moore Lake Syndicate**

The property of this syndicate consists of 9 claims and 5 fractions situated near Moore Lake. Surface operations have been carried on during the summer and a vein which is said to have a length of 2,000 ft. exposed. A prospect shaft is now being sunk some 40 ft. The company hopes to make use of electric power in the near future.

**Northern Manitoba**

On Sherritt-Gordon considerable work will be carried on at this property during the winter. At present one gasoline-driven diamond drill is in operation, having been freighted in by aeroplane, and two more are expected after freeze-up. Over 70 men are at work. Percy Hopkins has been engaged to report on the property.

**Flin-Flon**

While no official announcement has been made, it is understood that the results of the experimental work on the flotation plant are encouraging. The ore body has been more fully explored. A drift has been run along the foot-wall from the bottom of the shaft on the 390 ft. level, and from the drift cross-cuts have been driven across the ore body at fairly regular intervals both north and south of the shaft. The ore for the flotation plant has been taken from two stopes from the 300 ft. level.


*BUY*

**LEBEL ORO**

This property is located between Bidgood and Pawnee, in the Kirkland Lake area. Capitalization is only $1,500,000. The property is developed to 200 feet and underground work has opened up some excellent ore. The company is adequately financed to carry on an aggressive development campaign and important results are expected at an early date.

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Primary grinding in the new Teck-Hughes milling plant will be done by a 4 x 10 Marcy Rod Mill.

A 4 x 8 foot Marcy Rod Mill will grind to 10 mesh for concentration upon Wilfley Tables in the new Canadian-Lorrain plant.

The Sylvanite Gold Mines, Limited, have purchased a 5 x 10 Marcy Rod Mill for grinding ahead of tube mills.

Hollinger Consolidated Gold Mines have added three 7 x 15 foot mills, thus bringing their total of Marcy Rod Mills up to eight.

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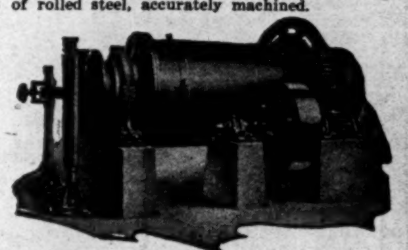

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### Real Test of Laval's Abana Group About Starting

There have been reports abroad that Laval was getting good results in diamond drilling south and east of Abana. Laval has not started drilling to check electrical survey results. Holes put down so far have been pilot holes. The real news on Laval would seem to be a month or six weeks away.

### Macassa Market Suggests Deal with Kirkland Gold

Macassa shares have sold up to fifty. There have been denials that negotiations were on with Kirkland Lake Gold. Nevertheless, this is the accepted fact. It is a natural deal. Kirkland Lake Gold needs additional ground and can test out Macassa a great deal cheaper than can the Macassa Co.

### CALGARY OIL STOCKS

Calgary oil stocks have firmed a little during the past week, as evidenced by closing quotations received by E. A. Pierce & Co., Toronto, on Tuesday and Wednesday of this week.

| | Tues. | Wed. |
|---|---|---|
| Alberta-Pacific | 21½ | 22 |
| British Dom. | 23 | .. |
| Dalhousie | 1.30 | .. |
| Illinois-Alberta | 26 | .. |
| McDougall's | 1.00-1.05 | .. |
| McDougall, new | 67½-70 | .. |
| Mill City | 20 | .. |
| Moose Mountain | 20 | .. |
| Okalta, pfd. | 40 | .. |
| Royalite, new | 33-34 | 33½ |
| Turner Valley | 25 | 28 |
| Vulcan | 2.15 | 2.20 |
| United | 70 | .. |
| Devinish | 24 | .. |
| Spooner | 75 | .. |
| Advance | 20 | .. |
| McLeod | .. | 1.17 |


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### ANOTHER "SMELTERS'" OPTION

Consolidated Mining and Smelting Co. has optioned the Rayfuse group at the head of Howe Sound, which has been referred to as "a second Britannia." Added to the Coast Copper, George Copper, Sunloch and Big Missouri, it gives the Consolidated extensive holdings on the coast, and has revived rumors that the big company proposes to build another smelter at tidewater. The Consolidated is also prospecting claims in the Beaver district, Yukon Territory.

### CHANGE IN CONTROL OF B. C. COPPER OPERATION

Princeton Mining and Development Co., operating in British Columbia, has elected R. E. Berry, of Vancouver, president, and Felix Graham, of Vancouver, secretary-treasurer. Fred. F. Foster continues in charge of operations. The new officers succeed Tacoma residents who formerly controlled.


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## Interesting Facts Are Revealed of Big Operation Adjoining Premier

Some interesting information has reached Toronto on Bush Consolidated Mines. Part of this is a staff engineering report which is the result of a careful study of the surface of the various holdings of the property. The other is a report on some assays made from grab samples taken from the surface. Perhaps the main value in these assays is that they show that the venture possesses strong possibilities of being a grass-root proposition. Incidentally the values are fairly high, particularly in lead.

The engineer's report is fairly lengthy and goes into a great amount of detail on geology and accessibility, etc. It says that the holdings of the company at the time of the examination consisted of about 70 claims and fractions, or about 3,000 acres. These embrace the ground adjacent to and adjoining the southern boundary of Premier Gold Mining Co. on the Canadian side of the International boundary line between Alaska and British Columbia, and also the properties on the Alaska side of the boundary adjoining Premier and Woodbine companies. The claims also take in all the ground adjoining to west and north the Sebakwe and District Mines, Ltd., and properties of the company stretch from the northern boundary of Sebakwe to the west shore of Long Lake, and west almost to Big Missouri mine of Consolidated Smelters.

In discussing the study of these claims, the report says:

Commercial ore bodies of the district occur in quartz porphyry, along certain lines of sheering and cross fracturing, often at or near the zone of contact with porphyry and tuffs. The quartz porphyry covering a wide area, the ore bodies have occurred on both the hanging wall and foot wall sides of the porphyry zone which generally has a dip of from 60 degrees to 70 degrees to the west However, the commercial ore bodies may occur right across the porphyry zone following lines of cross fracturing and shearing, which have a sharp dip and rake to the southward. It has not been generally agreed upon, but it has been determined that the porphyry zones or sills have a more or less definite direction or strike, or a tendency to occur along certain planes or direction. That parallel zones exist and that the series of approximately north and south zones are intercepted by cross zones at certain intervals. The cross zones being less siliceous and not so highly mineralized as the main north and south zones. It is with the tendency of these zones or veins to strike along in certain directions that we are concerned on the properties of the Bush Consolidated and that commercial ore bodies occur in these zones at indeterminated intervals. On the Border claim, south and adjoining the Premier Gold Mining Co., there is a southern extension of the Premier porphyry and tuffs, this area being cut by one of the usual granite diorite dikes and it is along the course of this granite that the heaviest mineralization occurs. This porphyry zone crosses the Border toward the International boundary. The Gold Cliff Premier group of Bush Consolidated on the Alaskan side of the line, after crossing the Salmon River intensive alteration has occurred and the tuffs have not been traced beyond the river, although siliceous zones with heavy pyrite mineralization still continue.

On the Sunshine M.C., typical geological conditions to those on the Premier, B. C. Silver and Sebakwe occur. The northern extension of the quartz porphyry, or siliceous zones, in contact with volcanic tuffs occur and these quartz porphyries siliceous zones and contacts have been traced right across the Sunshine claim from the eastern boundary of the Sunshine the quartz porphyries take on the form of large quartz veins occurring along shear zones, and these extend right across the Monitor group. Part of this group on top of Slate Mountain is overlaid by slates of the Nass River formations. Evidence of rocks, generally believed to belong to the Bitter Creek formations, consisting of Argillites and tuffs occur in the north-eastern portion of the Monitor group.

The surface geology of the Cobalt, Maple Leaf and Extenuate groups are typical of the district and contain parallel north and south porphyry zones with east and west intersection veins. The rocks are, however, not so well exposed on these claims, which are also heavily timbered.

Two veins on the Monitor group striking north-east and south-west are quartz veins occurring along wide shear zones, at the surface outcrop of the south vein about 18 inches of galena carrying high silver values occur, native silver and argentite occur in the gangue of the vein. The north vein, also occurring along a well-defined shear zone, shows considerable amounts of massive galena with good silver values. These veins parallel the strike of the porphyry zones, but have a tendency to run into the porphyry at a flat angle.

### Drill and Tunnel

Along the quartz porphyry zones on the Premier, B. C. Silver and Sebakwe, very rich commercial ore bodies have been developed. On the Premier mine over a comparatively small section sufficient ore has been mined of a character that has enabled the company to pay in about five year, over $10,000,000 in dividends, an amount estimated at 32 per cent. per annum on the par valuation of the stock. Considering the commercial importance of this achievement it is to be considered good mining business to look for ore under typical geological conditions on all the adjoining properties. It is for this reason the Bush Consolidated Co. was brought into being and all the properties now owned by this company acquired. It is to be mentioned that all the properties belonging to this company are owned outright by the company, the original owners taking stock in full payment. Considering this condition, it therefore seems like good mining exploration business to thoroughly explore and develop the claims of the company, especially following such lines of geological knowledge and theory that has been learned from the mining already done in this immediate locality. The tracing out of the porphyry zones and especially the extensions of the zones on which commercial ore has been found. This property is especially favorable in this regard. Further diamond drilling on the southern extension of the Border claim. The Sunshine claim is especially favorable for underground development as quartz veins paralleling quartz porphyry zones which lie in direct contact with tuffs, the geological conditions warrant underground exploration of these veins and conditions. The surface contour of the claim lends itself to suitable tunnel work and by driving approximately 700 feet, two veins in porphyry zone can be opened up and four porphyry-tuff contacts explored, as well as cross-cutting the two zones, this would include also 300 feet of driving on the veins along the strike, and if ore was encountered would give backs of about 300 feet. Considering this claim is on the strike of the main Premier Sabakwe zone, with favorable surface geological conditions, the expenditure of this money is fully warranted. If commercial ore conditions are encountered in this locality it opens up the way for more advance development on adjoining ground belonging to the company and for deeper underground work. On the Monitor group the two silver lead veins (north and south), these veins should be explored, and the south vein warrants under surface exploration.

The large areas of these properties will take considerable time to explore, as they are adjoining mines under development, it is likely that this will be a factor in the plans of their future development. There are favorable geological conditions on all the other properties, namely, Exchange group, Extenuate group, Maple Leaf and Chief Metals. The areas of these last named groups should be carefully prospected and this will be undertaken early in next spring, the entire season being devoted to surface exploration. During present winter underground work should be carried on on the Sunshine group.

The grab sample assays from surface ore are given as follows:

| | Samples 1 | 2 | 3 | 4 |
|---|---|---|---|---|
| Gold ............ | $ 2.46 | .82 | 23.78 | 5.74 |
| Silver ............ | $ 1.57 | 2.22 | 54.18 | 1.61 |
| ....... Ozs. | 2.84 | 3.96 | 96.76 | 2.88 |
| Lead ............ | $36.13 | 53.12 | 45.20 | 27.73 |
| % | 30.11 | 44.27 | 37.67 | 23.11 |

# COMMON HOLDERS OF T.-YUKON GET PREFERRED RIGHTS

## Trading Now Going on in Common Around $22 Per Share

Shares of Treadwell-Yukon are being traded in on the unlisted section of the Standard Exchange around $22 per share. They have sold up as high as $23.50 recently.

There are one million common shares all issued. Bunker Hill Sullivan and four subsidiaries are providing a small amount of this stock from their respective treasuries. The shares will be listed in Toronto about Nov. 1, according to what Pres. Bradley told a member of the staff in San Francisco a short time ago.

To finance the Sudbury operation the company will offer six per cent. participating preferred to the common shareholders as the funds are needed from time to time. Expenditures in all, will run around $10,000,000 and this amount of preferred has been provided for. The common shareholders should benefit materially by these rights, which will undoubtedly appreciate in value steadily, with each allotment.

# LARGE POWER UNIT FOR ABANA GROUP

## Will Take Care of Mining Needs and Will be Duplicated for Mill

DUPUY, Que.—As the result of favorable progress being met with on the Abana property in Desmeloizes township, Rouyn, Quebec, it is announced that an order has been placed for a 550 horsepower Atlas Polar Diesel engine. This power will be used for mining. Later on another 550 horsepower unit will be installed to take care of a mill. When hydro electric power is made available this Diesel installation will be used as an auxilliary unit.

The directors state that as the result of the development of large ore bodies on the Abana Desmeloizes property it has become necessary to instal this plant and that the installation of new machinery is taking place only when warranted by real development results.

In the meantime a power plant building is now being prepared and a concrete base is being put in for the reception of the machinery units.

# CLERICY SITUATION COMING TO FRONT: PROPOSE NEW TOWN

## Mining Development in This Area Drawing Public Attention

ROUYN, QUE.—No. 18 drill hole on Harvie mining operation at 130 feet has cut an important body of ore. Hole No. 19 encountered loose gravel and boulders, but is now ten feet in the ledge at a depth of 40 feet. A new drill begins operation on No. 3 showing at once. This surface showing is regarded as the outstanding one on the whole three-mile length of the mineralized zone. The Alderson McKay report urged an intensive attack on this situation and the results will be followed with great interest by all mining men up here. The Harvie holdings are among the largest up here and the most extensively worked of any. There are visiting parties all the time, making things lively, and much interested in the whole gamut of activity from surface clearing to underground work, from drilling to dynamiting.

Recent mining developments have again drawn the attention to the possibilities of Clericy district of N. W. Quebec as a copper producer. This area is rapidly assuming first importance. The Windfall Rapids, just at Clericy Station, on the C.N.R. Rouyn branch, are being bridged to serve the Harvie and the former operations. Accommodation quarters and cabins are springing up everywhere. The Quebec government is being asked for highway aid, while telephone and telegraph facilities are soon to be added. A public offering of town lots will soon be made.

The electrical survey of the Radiore Corporation is now in progress at the Windfall group, adjoining Harvie on the north. The directors and engineer, Fred Passow, are now completing diamond drilling plans.

Stewart Troop E.M., reporting on a second major discovery on the property, states, "Outside of the triangle enclosing the discovery and to the west is a larger hill, apparently identical in structure with the dome. Here a limited amount of work shows heavy mineralization of pyrrhotite and chalcopyrite identical to that at the dome. This hill and the dome seem to be all part of one large and very heavily mineralized area," and his report further states, "the geological structure, conditions and mineralization are undoubtedly favorable for the occurrence of large bodies of ore on this property. The great width and length of the heavily mineralized zone, the pronounced fracture, alteration and brecciation of the rocks within the zone, the several diabase intrusions on this property, the proximity of the granite intrusion and the character of the mineralization and its evident deep-seated origin, form a mass of convincing evidence that this property holds great promise of developing large and important bodies with depth."

### Canadian Geologist Gets Out of Leavenworth

Gordon Campbell, Canadian petroleum geologist, who found the Kevin-Sunburst oil structure in Montana, has just been paroled from Leavenworth penitentiary in U. S., where he had been sentenced for fraudulent use of the mails. Montana boosters and friends paid $1,000 fine for him. Before his trial and numerous appeals, Campbell was active in Alberta field and an oil well he located at Alderside, Alta., south-east of Calgary, is reported to have struck wet gas recently and the bailer is bringing up a cup of oil at each bail. It is understood that Campbell came out of his Montana experiences a poor man. He was said to be a victim of circumstances in the mail fraud of which he was convicted and sentenced to two years.

### Another Group Near Bidgood Will Resume

Shares of Lebel Oro appeared on the market this week and quickly sold up to 40c. This venture is well located on the west of Bidgood and has a shaft down 200 feet. It is reported that when work stopped a few years ago the drift was in commercial ore. There are five strong veins in the shaft section. These are believed to be feeders of the main break on which it is believed Bidgood is working and which cuts the Lebel Oro group to the north of the shaft. Shares of Pawnee Kirkland, south of Lebel Oro, are being listed. Trading is around 75c.

# NEARLY DOUBLED MONEY IN MOND

## Toronto Syndicate Did Well, But Found London Market Far for Speculating

A small Canadian syndicate that had purchased Mond Nickel shares during the summer got the pleasantest surprise it ever experienced this week.

In August, this group picked up several hundred shares of Mond Nickel at a net cost, after paying brokerage and taxes, of 47 shillings. It watched the stock go to the intervening high of 56 shillings and back again, without selling. Recently Mond Nickel shares sold down to 47 on the news of the Worthington cave-in and the syndicate members were blue. They decided to sell out at around 49, get out without a loss after paying expenses and bring their money back to Canada where they could watch it.

This week Mond went to 65. Hardly had they made their decision when their broker telephoned to say that Mond Nickel had closed at 59 shillings on Tuesday. They gave an order to sell at 60, and were sold out at 61 shillings on Wednesday morning.

They made $3 a share on a marginal investment of $4 a share. If they had sold an hour later they would have doubled their money. And this happened just when they decided to get out if possible without a loss.

# WILL APPOINT HIGH CLASS ENGINEERS TO HANDLE HARVIE

(Continued from page 17)

so far. Both these, as well as a third north-south body, are being explored at the points of their intersections, with the strong east-west body already found, both on the surface and on the 125 foot level.

On October 17th, another strong east-west body in conjunction with the north-south fracturing was located at a point 400 feet north of the Archean shaft. It is already known to be over 100 feet long.

About 700 feet south of the Archean shaft and on the Thompson group, an east-west zone has been traced for 150 feet in which there is a strong vein containing up to 18 inches of high grade copper ore. A drill has been set to trace this at depth as well as under the soil cover. Falling in line with this vein and 500 feet west, a richly mineralized zone was uncovered on the surface, and a drill hole to a depth of 400 feet shows a continuous body between the 98 foot and 173 foot points. A second and deeper hole has given similar and even better results.

Recent work on three of the operations in the area has disclosed the fact, not formerly known, that the bodies are in direct contact with dykes. The fact that such relations were not then observable was commented on by Messrs. Alderson MacKay and Armstrong in their investigation, and it is of very great significance that their existence is now evident.

At the Ringrose shaft (2515) work has been carried forward steadily in drifting and cross-cutting and it will soon be possible to form a conclusion as to its future value. Briefly, a vein exposed at the surface has been sunk on, and at the 100 foot level is being opened up by drifting. The operation is based on the fact that very high gold values, as well as chalcopyrite and zinc have been obtained. The vein is being opened up to determine its persistence, width and average content in dimensions of working size.

During the past two weeks, a diamond drilling contract has been executed for 5,000 feet of additional diamond drilling, the greater part of which will be concentrated on the Thompson group above referred to, but one drill will be set up on claim 2505, whose promise has been referred to in former letters, but work on which, owing to its position in low wet ground has been held for drilling.

Concluding his report, Dr. Harvie says he visited the Amulet property and was given every opportunity of studying the results of their rather prolonged period of investigation and correlation prior to their recent striking success. In a general way, he says the Harvie property is somewhat comparable to the position of Amulet, immediately prior to the obtaining of their conclusive data.


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11



# Pioneer Mining Corporation

**LIMITED**

(*No Personal Liability*)

**Offer to shareholders of 1,000,000 shares of par value of $1.00 each in the proportion of one new share for every two shares held, at the price of 50 cents per share.**

**To Shareholders:**

**Pioneer Mining Corporation, Limited.**

**Shareholders are notified that the lists of subscriptions will close both in London and Toronto on Monday, the 31st of October, 1927, at 12 o'clock noon.**

Copy of the circular giving details regarding the above offering, and application forms, can be obtained from the office of the Company, Suite 52, Trusts and Guarantee Building, 302 Bay Street, Toronto, or from the Company's Transfer Agent, National Trust Company, Limited, 20 King St. E., Toronto.

The right to subscribe to this new issue is given to the person actually in possession of the stock certificates of the Company, and such person need not necessarily be a registered shareholder. Application for new shares should be made to **National Trust Company, Limited, 20 King Street E., Toronto,** and must be accompanied by the certificates on which rights are claimed, together with an accepted cheque or money order for the full amount of the subscription.

BY ORDER OF THE BOARD,

Toronto, October 24, 1927.

A. L. BURGESS, Secretary.



# Windfall-Rouyn

The financial requirements for our mining program have been amply met by a most gratifying public participation in the issues of this company.

Announcement is hereby made that for the present we discontinue the further sale of treasury shares.

An energetic and efficient mining program is now in progress.

**Windfall-Rouyn Mines LIMITED**

O. C. Smith, *President*
Robert Gamble, *Vice-President* J. W. Davis, *Managing Director*

*Directors:*
J. A. Burgess, Oral D. Cloakey, E. L. Provencher, Earl R. Tamblin.

**404 New Birks Bldg. — Montreal**

**Phone Lan. 7696**

## *"He Put in His Thumb"—*

THE well known jingle doesn't say, when little Jack Horner poked his enterprising digit in the delectable confection, whether or not he expected to be so amply rewarded for his efforts as proved to be the case.

But history does record, when the Ontario Government, some twenty years ago, decided to build a few score miles of railroad from North Bay into New Ontario, that they had not the slightest premonition of the juicy "plum" this piece of exploring would bring forth.

The avowed object of the Temiskaming and Northern Ontario Railroad was to assist in the colonizing of the wilderness—to encourage settlers to clear the land and sow crops. It succeeded, but to a degree and in a manner wholly unexpected.

It is now a matter of general knowledge that, just as the nickel-copper sulphides of Sudbury were revealed by the building of the Canadian Pacific Railway through to the west, so the silver of Cobalt was brought to light during the construction of the T. & N. O.

Cobalt's two hundred odd million dollars worth of silver—Porcupine and Kirkland Lake's almost equal amount of gold—have proven the most powerful factors in turning the eyes of the world towards the treasure vaults of the North. What is more vital is that the unrivalled richness of these mining camps has brought about a more energetic and systematic poking of speculative thumbs throughout Ontario, Manitoba and Quebec.

This exploring has but strengthened the stimulating conviction that there are many more, and perhaps juicier, "plums" in the "pie" than any yet revealed.

Homer L. Gibson

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# Insurance for Buyer and Seller

## INSURANCE SALES SURE TO INCREASE, SAYS J. T. McCAY

### Life Policies Seen as Offset to Danger of Long Credit

VANCOUVER.—That the Canadian people have only started to buy life insurance and that insurance companies may reasonably expect that the per capita protection by life policies will be tripled within a comparatively short time, is the opinion expressed by J. T. McCay, president of the Life Underwriters' Association of Canada, on his return to Vancouver after a two-months tour of the Dominion.

"The per capita protection to-day stands at about $534," said Mr. McCay. "That is not a large amount. We sometimes hear suggestions that the saturation point is near and soon insurance sales must show a falling off for lack of further buying power of the Canadian public.

**Is Dual Safeguard**

"In my opinion no such situation is at hand. Each year of educational effort by life insurance companies is making life insurance as a dual means of safeguarding for the future and saving earnings of the present more popular with the public.

"I think that we can expect the Canadian people to continue to buy insurance until the per capita protection is at least treble that of to-day."

Mr. McCay's statement is interesting when considered in conjunction with that of the manager of one of the larger life insurance companies of the Dominion who recently visited Vancouver. That man said:

**As Chief Estate**

"One of the most interesting facts we have found in recent years is that there are thousands and thousands of men to-day who are deliberately making life insurance their chief estate and their chief form of saving.

"They are, in most cases, salaried men or men of fairly well assured incomes. They budget their incomes, set aside a definite amount for life insurance protection, knowing that it constitutes a ready estate in event of illness or untimely death and that if they live it will have been a means for saving part of their earnings at a fair interest rate.

"They spend the rest of their money on living expenses and the luxuries of life.

"Don't ask me if it is a good policy. They think it is. Their future, they feel, is assured. They feel free to put the rest of their money into what you might call the amenities of life.

**As To Instalments**

"Our company has found not a few but very many instances in which life insurance is bought in substantial amounts to form almost the entire estate. Modes of life change. We buy things on the instalment plan, live in apartments or rented homes and drive cars. Our standard of living is higher and we shall be loth to lose any of the luxuries that we have around us. In fact, the tendency will probably be to buy more and more of the comforts and conveniences of life."

He picked up from his hotel room table a copy of a magazine and leafed it over.

"Look at these advertisements. What do they mean?" he asked.

"They are persuasive things. They have their appeal to the average man or woman reading them. The man wants a car; the woman wants a chesterfield. The man wants a powerful radio; the woman wants a refrigerator; the man wants a hunting outfit; the woman wants an electric ironer. They don't have to pay cash. The local dealer handling the goods will finance or arrange finances for the sale. These advertisements mean that the average home will buy more of these advertised goods and other things in the future not yet advertised or not yet invented.

**Insurance is Offset**

"It would be a rather dangerous situation if this mortgaging of the future were to go on without some form of saving or investment. Fortunately, life insurance companies are advertising something attractive on the instalment plan, too, and I believe that increased buying of life insurance is the best assurance we have that instalment buying will not bring the public to an over-mortgaged economic condition."

He, too, expressed the opinion that life insurance sales would continue to increase but believed that even a 100 per cent. increase in per capita protection would take quite a number of years to accomplish. Life insurance, he said, would have to be advertised and "marketed" aggressively in competition with commodities behind which is the tremendous power of the modern publicity machine.

### Life Insurance Sales in Canada*

| | 1922 $ | 1923 $ | 1924 $ | 1925 $ | 1926 $ | 1927 $ |
|---|---|---|---|---|---|---|
| January | 27,432,000 | 28,108,000 | 30,673,000 | 30,838,000 | 33,907,000 | 36,986,000 |
| February | 26,023,000 | 25,409,000 | 30,704,000 | 28,698,000 | 34,744,000 | 35,525,000 |
| March | 27,516,000 | 28,142,000 | 34,383,000 | 35,001,000 | 40,483,000 | 42,883,000 |
| April | 26,547,000 | 29,966,000 | 32,603,000 | 35,872,000 | 37,346,000 | 41,631,000 |
| May | 30,413,000 | 29,762,000 | 33,368,000 | 34,377,000 | 37,703,000 | 44,553,000 |
| June | 33,437,000 | 31,865,000 | 34,295,000 | 42,307,000 | 44,634,000 | 45,298,000 |
| July | 26,119,000 | 31,539,000 | 33,205,000 | 37,671,000 | 40,101,000 | 39,962,000 |
| August | 26,720,000 | 31,065,000 | 27,983,000 | 31,724,000 | 36,010,000 | 38,360,000 |
| September | 25,081,000 | 25,979,000 | 30,029,000 | 33,543,000 | 34,878,000 | 35,000,000 |
| October | 29,102,000 | 33,470,000 | 32,483,000 | 36,259,000 | 40,226,000 | .......... |
| November | 29,664,000 | 34,165,000 | 34,357,000 | 36,760,000 | 44,251,000 | .......... |
| December | 32,995,000 | 37,377,000 | 37,120,000 | 41,822,000 | 46,777,000 | .......... |

Total 1927, nine months ........ $360,500,000
Total, 1926, nine months ........ 339,806,000

Increase to date 6% ........ $20,694,000

*Companies having in force 84 per cent. of total outstanding business in Canada. New, ordinary business only. Figures by Life Insurance Sales Research Bureau, Hartford, Connecticut.

## PRAISE, CRITICIZE MOTOR LAWS OF MASSACHUSETTS

### Say Recklessness, Primary Object of Statute, is Not Curbed

Two weeks ago, the great majority of the Canadian casualty insurance companies, received through the mail a mimeographed copy of an address given by Commissioner Monk of Massachusetts, on the compulsory automobile insurance law as it is being applied in that state. The address reviewed the whole question of compulsory protection as found in Massachusetts, and put Mr. Monk on record as being eminently in favor of the new law after having seen it operate for the past nine months.

But that is not all. Last week, several hundred insurance men gathered in Toronto, under the auspices of the Ontario Fire and Casualty Agents Association, and listened to a strong denunciation of the Massachusetts law, by John A. Downs, general counsel for the Insurance Federation of Massachusetts. Mr. Downs spared no effort to paint a drab picture of conditions as they actually exist (in his opinion) in the state, and his words are being considered on the part of those who would otherwise be tempted to believe that compulsory insurance as it exists in Massachusetts, is the final solution for curbing recklessness and ensuring the responsibility of automobile drivers.

**16 Lawyers Made It**

In the first place, Mr. Downs pointed out that Massachusetts has been studying the compulsory insurance question since 1918, and that they had become so involved in the matter that by 1925, the state had to go ahead with some sort of compulsory legislation.

The law was drawn up by a committee of sixteen lawyers which swept all opposition before it. The automobile operator or owner is required to furnish one of three things before he can secure a license to operate his vehicle. The three prerequisites of registration are either an insurance policy, a surety bond or else a deposit of securities or cash amounting to at least $5,000. This enforced protection covers only personal liability, there being no provision in case of property damage.

Mr. Downs pointed out that as only three owners had deposited cash or securities with the Insurance Department, and no one had provided a surety bond, there were practically 800,000 automobile owners who had purchased policies under the provisions of the Act which came into effect in January, 1927.

**More Agents**

At first the insurance agents in the state were greatly pleased with the Act, and the prospect of an additional 700,000 clients seemed almost too good to be true. However, they soon found that it wasn't really true after all and that commissions were arbitrarily cut by the Department so that the general agent received only 7 per cent. as against 17½ per cent. heretofore. Then, again, thousands of new agents were appointed all over the country, without any regard to qualifications, and every garage man and storekeeper became a potential agent. One company appointed immediately 1,800 new agents in various parts of the state.

As far as the success of the Act was concerned, Mr. Downs expressed the opinion that its only merit was in the fulfilment or its primary purpose, which was the ensuring of the financial responsibility of all those who operated cars on the roads of Massachusetts. To counteract this, there were four outstanding weaknesses in the legislation.

In the first place, as there was no provision for property damage claims, all these claims being laid at the door of personal liability, which was forced to carry a much heavier loss, and without any commensurate return to the companies.

Secondly, there was no incentive for the automobile operator to be careful, and as such, the law was deficient in the most important aspect of the whole situation, namely accident prevention. Mr. Downs quoted the example of Switzerland; where every owner must purchase a $20,000 liability policy, and must become a co-insurer for 10 per cent. of the risk. Thus in any accident, the owner bears part of the financial responsibility himself, and there is a very definite incentive towards care on the part of every owner.

**Passing the Buck**

In the third place, the "teeth" of the Massachusetts law were supposed to be the board of appeal. This board consists of the commissioner of insurance, the registrar of motor vehicles, and an assistant attorney general. Its function was to hear the appeal of any owner whose application for insurance had been refused or whose policy had been cancelled by the insurance companies, on the grounds that said owner was not a proper risk. The burden of proof for the refusal to grant the application rested upon the insurance companies.

According to Mr. Downs, the actual results achieved by this appeal board are very different from what was originally intended. In the first place the companies resent the fact that onus of proof is placed on their shoulders, and as a result very few cases ever reach the board at all. What actually happens, is that when a company wishes to get rid of an undesirable risk, it does not cancel his policy, but merely suggests that the owner should switch his insurance to one of the other 64 companies, and thus avoid a black mark against his name. In this way the companies pass the buck, so that the compulsory law gives actually no assurance that the reckless, intoxicated, or dangerous driver is removed from the road.

**If Visitors Are Careless**

Finally the big hole in the law, according to Mr. Downs, is the fact that there is no provision for ensuring the responsibility of the thousands of tourist drivers who annually pour through and across the state. In 1925, a test was made at a particularly important highway juncture, and in three days, no less than 89,000 "foreign" cars were counted, that had either passed through or were visiting in Massachusetts. This potential menace had still to be faced apart from the Massachusetts compulsory law.

By way of a concrete suggestion, Mr. Downs outlined the law which is at present in force in New Hampshire, and which has the recommendation of giving first-class protection to the insurance men. In New Hampshire there is no compulsory insurance, but if your car is involved in an accident, the case is immediately given a hearing and the trial judge gives an estimate of the damage that has been done. Thereupon either security of or an insurance policy must be produced or the license is immediately cancelled. Under this plan, already 90 per cent. of the automobile owners in the state have voluntarily taken out automobile insurance. Under this plan there is also provision for taking care of the "foreign" motorist, the state having power to impound the car of the touring but financially irresponsible motorist which is involved in an accident.

**Plan Winery Merger**

W. Norman Counsell, St. Catharines, (Ont.), fruit-grower, is quoted as saying that a merger of a number of companies manufacturing native wine in the Niagara district, shortly will be completed. He stated that the financial interests concerned are from the United States.

## Another Insurance Head Urges Investors to Stay

Following the recent statement made to The Financial Post by T. B. Macauley, president of the Sun Life, on behalf of his shareholders, another Canadian life insurance president has sent a message to his shareholders urging them to hold on to their stock and not to sacrifice their holdings for the sake of a temporary profit. The message comes from S. C. Tweed, president of the Ontario Equitable Life & Accident Insurance Co., of Waterloo.

After quoting the example set by President Macauley, Mr. Tweed says to his shareholders:

"The management of the company wish to express again their own firm faith in the company. We urge present stockholders not to sell, solely because we believe that those who made their investment in this company should reap the financial benefits, our growth is bringing nearer, and we feel convinced that future returns will amply satisfy you with your investment. To yield to the temptation to sell, even at a temporary profit, would be a mistake in our opinion, which future results might cause you to regret."

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THE
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LIFE AND ACCIDENT INSURANCE CO.
S. C. TWEED, President
HEAD OFFICE:
WATERLOO, ONTARIO
Assets (Dec. 31, 1926) $3,822,316
Reserves ........ 2,422,896
Insurance in Force... 33,050,441

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CANADA NATIONAL FIRE INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, CANADA
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TORONTO, 24 Adelaide St. W.
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Superintendent of Agents

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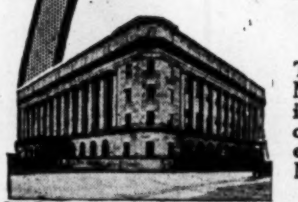

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"I have found my niche in life, and do congenial work at good pay. My income is limited only by the extent of my knowledge and efforts. In addition, I enjoy the satisfaction that comes from preserving the family and business life of the community.
"I help build businesses.
"I stabilize credit.
"I promote thrift.
"I assist in creating and preserving estates.
"I enable people to become independent and successful.
"I safeguard homes and lives, protect widows and orphans.
"In this I am honored and respected and I work for a most successful Company which is established from coast to coast.
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London Life
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"Canada's Industrial-Ordinary Company"
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# *Events in Banking World*

## Bankers Association Adopt Standardized Forms for Cheques

### New Blanks Will Facilitate Handling; Effect Other Savings

Consideration has been given by Canadian bankers from time to time to the matter of uniform sizes for cheques and other commercial instruments, and in November, 1926, the Canadian Bankers' Association approved the principle of uniformity of sizes, as well as in arrangement of the subject matter on the face of cheques, and a Sub-Committee was appointed to make recommendations.

This committee found that in the cheque forms supplied by banks to their customers there were considerable variations in size, the length ranging from 7¾ in. to 8½ in. and the width from 3 1/16 in. to 3½ in. Much greater variations in size were noted in private cheques provided by the banks' customers for their own use. After careful consideration and investigation, which included a study of the recommendations to banks in the United States by the American Bankers' Association, a report recommending the adoption of the sizes and designs, was submitted to and adopted by the Canadian Bankers' Association. As a result of this action cheques, drafts, note forms, etc., prepared hereafter by the banks in Canada will conform to these standard sizes.

**Advantages Are Several**

The advantages of uniformity in size and arrangement of the subject matter on the face of the cheque may be briefly stated as follows:

1. Saving in cost of cheques by permitting the use of standard size sheets for the preparation of such cheques by printers and lithographers, and thereby eliminating waste through cutting to inconvenient sizes.
2. Saving of time in the transit departments of banks through having uniform sizes to handle and having all essential particulars of the cheque in the same relative position on each item.
3. Convenience in cheque filing and saving of cost in filing equipment through standardization of sizes.

The standard sizes are as follows: 8⅜ in. by 3⅜ in.

Cheques, ordinary form and draft form.

Counter cheques.

Voucher cheques.

Bank drafts, transfer forms, clearing house slips, etc.

Bank money orders, foreign money orders, travelers' cheques, etc.

Promissory notes.

Customers' drafts.

(An extra ¾ in. to be attached at the left hand end of the form to provide for "No Protest" instructions).

Pocket cheques—both Current Account and Savings 2¾ in. by 6¼ in. (If bound with a stub, 3⅛ in. to be allowed for the stub and binding margin).

A design is submitted for a voucher cheque conforming to the standard size. It is felt that this size provides space for all essential particulars, but in those cases where more space is required by a customer, it is recommended that a fold-over voucher cheque 6¾ in. by 8⅜ in. be used, which, when folded in two, will conform to the standard size and contain on the face the essential particulars of the cheque in the same relative position as on the ordinary cheque.

It will be noted from the specimen cheques that the date, cheque number, bank transit number, amount in figures and signatures are all placed at the right end of the form. Such an arrangement facilitates examination, listing and handling of the items in transit departments.

Future supplies of cheques, drafts, etc., prepared by bank for distribution to their customers will be the sizes above noted. As to private cheques, the banks appreciate that customers in certain cases will find it necessary to make some changes in the sizes of their cheques and drafts in order to conform to the standard sizes recommended, but it is felt that the advantages of uniformity, as well as some saving in cost to the customer, will more than offset any variation that may require to be made in their forms.

**Advice to Customers**

Customers using private cheques who desire to show trade marks or other display matter on their cheques are recommended to use the upper left hand corner or left end of the cheque without encroaching on the space used for the payee's name or other essential particulars.

The success of the movement toward standardization depends on the co-operation not only of the banks' customers, but of paper makers, printers, lithographers, manufacturers of office appliances, listing machines, etc., and it is hoped that all these will appreciate the benefits to be derived from the movement and assist in bringing about the desired end within a reasonable time.

BROKE:—I see where a big New York bank has standardized all cheques.
DALY:—I hope that they are standardized at, say, $1,000,000.

**Open New Branches**

The Imperial Bank of Canada will open a new branch at Bloor and Durie Streets, Toronto, on November 1st. The office will be placed under the management of H. A. Cross, who is at present accountant at the Yonge and Queen Streets branch.

## CANADIAN BANKS REDUCE CHEQUE SIZES TO FOUR PRINCIPAL FORMS

**Standard Customer's Cheque**

8⅜"

3⅜"

BANKVILLE. ______ 192__ NO.______

THE BLANK BANK OF CANADA $\frac{X}{XXX}$

PAY TO THE
ORDER OF ______ $______

______ DOLLARS

**Standard Voucher Cheque**

8⅜"

3⅜"

AUDIT NO.______

DEPT. NO.______

AUDITED | APPROVED FOR PAYMENT

BANKVILLE, ______ 19__ No.______

THE BLANK BANK OF CANADA $\frac{X}{XXX}$

PAY TO THE
ORDER OF ______ $______

______ DOLLARS

THE BANKVILLE MFG. COMPANY. LIMITED

______ President

______ Secretary

Here are two forms of four proposed to be used in Canadian banks. Customers using own blanks are asked to conform. 2 The statement form at the left of the cheque may be altered to suit customers' requirements.

## Staff Gossip

The Dominion Bank announces that a branch, to be known as Union Station branch, has been opened at 184 Bay Street, Toronto.

W. M. Bruce, manager of the Bank of Nova Scotia at Centreville, has been transferred to the Dalhousie branch. E. W. Mosher succeeds Mr. Bruce at Centreville.

Mr. Sydal, of St. Paul, has been appointed to the staff of the Bank of Commerce at Lougheed, to succeed S. Andrews, who has been transferred to Red Deer.

Miss G. McNeill, teller at the Owen Sound branch of the Bank of Montreal, has been transferred to the Yonge and Queen Streets, Toronto, branch. R. R. Bowerman, of Guelph, succeeds Miss McNeill at Owen Sound.

The Dominion Bank announces the following staff appointments:

H. F. Smith has been appointed acting manager at Union Station branch, Toronto. James V. Macfarlane, formerly accountant at Queen and Ossington branch, Toronto, has been appointed acting manager at Parkdale branch, Toronto, and W. E. Lepper, formerly accountant at North Toronto branch, Toronto, succeeds Mr. Macfarlane as accountant at Queen and Ossington branch, Toronto.

The Imperial Bank announces the following staff changes:—A. D. Lewis, formerly assistant accountant, Toronto branch, has been appointed accountant, Yonge and Ann, Toronto. H. F. Rice, formerly manager St. Clair & Boon, Toronto, has been appointed manager bond department, head office. W. W. Field, formerly accountant King and York, Toronto, has been appointed manager St. Clair and Boon, Toronto. A Stirling, formerly assistant accountant, Toronto, has been appointed accountant King & York branch, Toronto. P. R. Neely, formerly accountant, Port Arthur, has been appointed accountant, Prince Albert, Sask. J. H. Clark, formerly accountant, Fort William, has been appointed accountant, Port Arthur. K. H. Love, formerly accountant, Yonge and Ann, Toronto, has been appointed manager, Wellesley and Sherbourne, Toronto. J. S. Harrison, formerly teller, Walkerville, has been promoted to the accountant's post. W. C. Teeple, formerly accountant, E. E. St. Thomas, has been appointed accountant, Yonge and Queen, Toronto.

## Weekly Bank Clearings

(In comparison with the same week last year)

| | Oct. 21, 1926 | Oct. 20, 1927 |
|---|---|---|
| **Eastern Cities** | | |
| Halifax | $ 2,826,227 | $ 2,901,060 |
| Saint John | 2,523,189 | 2,989,105 |
| Moncton | 938,871 | 910,561 |
| Sherbrooke | 950,460 | 952,225 |
| Montreal | 121,273,756 | 142,506,240 |
| Quebec | ........ | 7,771,000 |
| Ottawa | 8,180,944 | 8,526,266 |
| Kingston | 755,826 | 944,652 |
| Peterboro | 775,968 | 862,885 |
| Toronto | 102,778,308 | 139,490,979 |
| Hamilton | 6,770,038 | 5,971,772 |
| Brantford | 1,082,150 | 1,630,078 |
| London | 3,763,129 | 3,488,910 |
| Kitchener | 1,112,045 | 1,443,519 |
| Sarnia | ........ | 737,472 |
| Chatham | ........ | 1,103,878 |
| **Western Cities** | **Oct. 21, 1926** | **Oct. 20, 1927** |
| Fort William | $ 1,128,458 | $ 1,416,019 |
| Winnipeg | 70,377,241 | 63,899,379 |
| Brandon | 708,078 | 788,676 |
| Regina | 6,694,136 | 5,651,910 |
| Moose Jaw | 1,724,813 | 1,638,505 |
| Prince Albert | 419,457 | 420,067 |
| Calgary | 8,187,377 | 8,063,520 |
| Edmonton | 5,163,742 | 5,578,264 |
| Medicne Hat | 416,312 | 499,477 |
| Lethbridge | 673,408 | 756,898 |
| N. Westminster | 753,294 | 946,957 |
| Vancouver | 18,431,734 | 18,722,022 |
| Saskatoon | 2,547,917 | 2,571,464 |
| Victoria | 2,435,165 | 2,585,191 |


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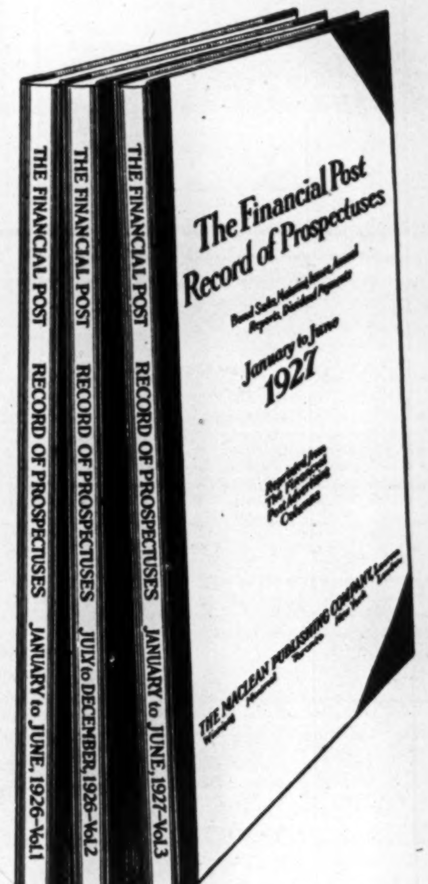


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# QUEBEC INDUSTRY REPORTS FURTHER PROGRESS IN 1925

## Pulp and Paper Principal Activity by Wide Margin

Both from the standpoint of value of production and amount of capital invested, pulp and paper led all other industries in the Province of Quebec during 1925, according to the latest report prepared by the Dominion Bureau of Statistics.

In line with other provinces, Quebec reports a substantial increase in manufacturing production, the value of which in 1925 was $820,563,757, as compared with $776,232,244 in the preceding year, an increase of $44,331,-513. Of the gross value of products in 1925, $412,460,003 represented the cost of materials and the balance, $408,103,754, the value added by manufacturing.

Following the pulp and paper industry in point of value of production, the cotton industry comes second. Tobacco, cigars and cigarettes are third on the list of the 40 leading industries. As usual, the 40 leading industries account for the major share of production, those in Quebec representing 80.7 of the total number of establishments, 85.7 of the capital investment, 83.5 per cent. of salaries and wages, 82.5 of employees, 80.1 cost of materials and 82.0 value of production.

### Pulp and Paper Leads

The ten leading industries in the province during 1925 are as follows:

| | Plants | Capital | Value of Output |
|---|---|---|---|
| Pulp and paper | 50 | $227,031,019 | $93,911,109 |
| Cotton yarn and cloth ....... | 16 | 59,361,372 | 51,126,834 |
| Cigars and cigarettes .. | 46 | 28,411,777 | 39,406,058 |
| Flour and grist products ... | 392 | 11,260,728 | 32,250,490 |
| Butter and cheese ...... | 1599 | 8,095,199 | 30,658,717 |
| Electric lgiht and power .. | 162 | 225,333,339 | 28,129,838 |
| Railway rolling stock ....... | 9 | 35,640,048 | 27,816,287 |
| Boots and shoes | 112 | 18,157,824 | 23,962,708 |
| Meat packing . | 20 | 8,321,688 | 23,385,450 |
| Men's clothing | 112 | 15,981,021 | 23,218,979 |

In view of the prominence of the pulp and paper and lumbering industries, one would assume that wood and paper products would be the most important group of manufacturers in Quebec. The Government's record, however, shows that vegetable products lead in value of production, followed in order by wood and paper and textile groups.

In employment, the textile group in 1925 stood in first place with the wood and paper group second, the vegetable products group third, and the iron and steel products group fourth. In capital investment, the wood and paper group was first, the miscellaneous group which included the electric power was second, and the textile group third.

### Capital Invested Increases

Statistics in relation to capital investment are given under two main heads—fixed capital and working capital. The total capital invested in Quebec industries which in 1923 amounted to $1,009,898,982 advanced to $1,044,-113,969 in 1924 and $1,136,033,133 in 1925. The increase in 1923-4 was $34,-214,989 or 3.4 per cent. and in 1924-5 the increase was $91,919,164 or 8.1 per cent.

The wood and paper group stands first in total capital investment with $317,981,514 or 27.9 per cent., with the miscellaneous group which includes electric power plants in second place, with $255,565,809 or 22.5 per cent. Textile products stand third, vegetable products fourth and iron and its products fifth, followed in order by non-metallic mineral products, animal products, chemicals and allied products and non-ferrous products.

The average capital investment per establishment for the past four years shows a continued steady growth. In 1922 the average capital per establishment was $130,907. In 1923 it had increased to $141,403; in 1924 to $152,-492; and in 1925 to $162,407.

There is no change of any importance in the relative standing of the various industrial centres. Montreal continues to lead, accounting for $460,-252,357 of the total value of production of the 38 leading towns and cities. Three Rivers is in second place, followed in order by Quebec, Shawinigan Falls, Sherbrooke, Hull, Valleyfield, Grandmere, Lachine and Granby.

## Royal Securities Appoint New Officers Toronto Office

The increasing importance attached by Royal Securities Corporation to the Ontario investment field is indicated by the appointment to its Toronto office of two of the corporation's head office executives.

A. F. Culver is to be manager at Toronto, in charge of the business of the corporation in this province, with D. R. Corbett as secretary.

Mr. Culver comes to Toronto with an extensive knowledge of investment banking and general financial business, having been manager of the Royal Securities Winnipeg office for several years, and latterly assistant general manager at the corporation's head office in Montreal. Prior to joining Royal Securities in 1920, he was with the Northern Trusts Company in Winnipeg. During the war he served overseas with the Canadian Field Artillery, attaining the rank of lieutenant-colonel, and being awarded the Military Cross. He is a director of the Alberta-Pacific Grain Company, Limited, Canada Gypsum and Alabastine Limited, etc.

Mr. Corbett for some years has been assistant secretary and assistant treasurer of the corporation in Montreal.

## Officers of Tobacco Plantations Are Elected

Ontario Tobacco Plantations, Ltd., officers are:—President, J. F. MacKay; vice-president, W. B. Wood; directors, James Playfair, Midland; D. L. White, Midland; H. A. Freeman, Simcoe; secretary, H. E. Manning.

The company has acquired over 1,800 acres of flue-cured tobacco land in the County of Norfolk and it is understood that a public offering of the company's securities will be made in the near future.

# Coast Conservationists Predict Herring Scarcity; Pilchard Production Rises

From Our Own Correspondent

VANCOUVER.—The herring will soon go the way of the sockeye salmon and the halibut in British Columbia waters unless there is a change in the federal policy towards that resource, according to provincial fisheries experts.

The practice of the Ottawa government in opening the British Columbia herring fisheries for the production of non-food products, such as oil and fertilizer, was adopted last year over the protest of the Victoria officials who claimed that wholesale fishing would soon deplete the herring. It was hoped by these officials that the practice would be abandoned, but a new order has gone out from Ottawa reopening the herring grounds to the fertilizer and oil concerns. It is claimed that the herring is more likely to be jeopardized by the removal of restrictions than the pilchard, which spawns in the open sea, while the herring spawns on seaweed close to shore and is therefore more liable to be caught before it has reached maturity.

### Pilchard Catch Higher

Conservationists who were predicting earlier this year that the pilchard was doomed received a pleasant surprise when it was announced that production of pilchard oil and fertilizer on the west coast, far from showing a reduction, would actually exceed all records this year. The total output of the nineteen reduction plants operating on Vancouver Island up to October 8th was 2,792,191 gallons of oil and 12,687 tons of meal. The run of pilchards is still strong in certain places but is beginning to fall off and the lifting of restrictions on herring will enable the plants to operate on a much longer schedule than would otherwise be possible.

The pilchard run was remarkably late in starting, but is finishing in almost unprecedented volume.

## Government Proposes to Set Standard Grade for Beef

Proposals to grade beef for market as has been done in the case of eggs, butter, cheese and other products, are being considered by a commission appointed by the Dominion Government. This commission which included R. S. Hamer, of the Dominion Livestock Branch, Ottawa; J. H. Evans, Deputy Minister of Agriculture for Manitoba; F. M. Baker, representing the packing interests; R. A. Wright, president of the Western Canada Livestock Union, and L. P. McOuat, of Ottawa, has been meeting in the West and hearing evidence from producers, retailers and consumers as to the probable effect of a system of grading on the marketing of beef.

### FORMS NEW HOUSE

MONTREAL.—Announcement is made here of the formation of the new investment house of Robus, Bennett and Company. The president of the new house is Commander Frederic W. Bennett, the vice-president is Leroy Robus.

The new firm is the Canadian representative of a group of American investment trusts, which include the American Founders Trust, the International Securities Corp. of America and the Second International Securities Corp. The firm will specialize in the handling of the securities of these investment trusts. Mr. Robus, vice-president of the firm, is also president of Robus & Co., investment bankers, of Rochester, N. Y. Commander Bennett has long been interested in British investment trusts.

## Make Third Offer of Paper Shares to Workers

The third annual offering of its 7 per cent. preferred stock to officers and employes of the International Paper Co. and subsidiaries has been announced by President A. R. Graustein, at a price of $100 a share. This figure, which includes the January 16th dividend, compares with $94 last year and $90 two years ago when the plan of employee subscription was perfected. Over 3,300 officers and employes of International Paper own shares in the company, the average holding being about five shares.

Payment for the stock may be made in full or by instalments, payments on the latter being arranged at a weekly rate of at least $1 per share at a semi-monthly rate of $2.25 per share; or a monthly rate of $4.50 per share. A bonus system will operate whereby in addition to the $7 dividend rate paid on each share, employes holding their shares and still in the employ of the company will receive $1 a share on January 1, 1929, increasing $1 each succeeding January until holders as of January 1, 1933, will receive $5 a share, a total of $15 per share.

Employee subscription rights for stock expire on December 1, of this year.

Under the terms of the plan, subscriptions are limited in proportion to the salary or wages of the employees, an employee receiving $30 or less a week being limited to three shares; $40 a week or less, but more than $30, to four shares, and so on.

### Brokers Open Offices

Sainsbury, Nevitt & Co. announce that they have opened offices in the Commonwealth Building, Toronto, where they will operate a mining and general investment business.

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